STATE OF MONTANA
DEPARTMENT OF INTERGOVERNMENTAL RELATIONS

ECONOMIC OPPORTUNITY DIVISION
OFFICES AT 1424 NINTH, HELENA
MAIL TO CAPITOL STATION, HELENA, MT 59601
406 449-3420

THOMAS L. JUDGE
GOVERNOR

MEMORANDUM

February 26, 1973

TO: Montana Agencies and/or Organizations Affected by Recent Federal Actions

FROM: dan newman, Administrator
Office of Economic Opportunity

RE: An assembly to exchange information on the Administration's impoundment of funds, the cutbacks, and the elimination of many grants which will directly affect Montana and its citizens.

Those of us who still think that the recent actions by the Administration do not represent a crisis should perhaps think again. Nationally the economic impact runs into billions of dollars and millions of man-years of employment. Economic losses will be felt throughout Montana. To give you just one example--Because of the moratorium on the Farmers Home Administration's subsidized housing programs, Montana will lose over $3 million and 240 man-years of employment in the next eighteen months.

The dollar figures, though, don't begin to speak to the human suffering that will be a direct result of this precipitous action by the Administration. Dozens of social programs have been eliminated or their moneys impounded.

Some of these programs will be entrusted to the continuing interest of state and local governments in the form of special revenue-sharing grants. It is extremely unlikely that revenue-sharing can effectively substitute for these programs in meeting Montana's needs. Revenue-sharing can not make up the full amount of money lost by the elimination of these categorical grants; states, counties and cities will receive less money than before.

As a result of the cutbacks, a seventy (70) group coalition has been formed at the National level including such diverse interests as the Home Builders Association, League of Women Voters, Housing Assistance Council, mortgage bankers, AFL-CIO, and many others. Similar groups are being formed at the state level across the Nation.

Many of us have special information about the programs that have been trimmed or eliminated. We know that they have a positive side about which the Congress and your fellow Montanans should be told.

Therefore, I invite you to attend an assembly to be held at 12:00 noon, on March 5, 1973, at the Jorgenson Holiday Inn to exchange information and discuss possible solutions.

STATE OF MONTANA
DEPARTMENT ...
ECONOMIC OPPORTUNITY DIVISION
OFFICES AT 1424 ... HELENA
MAIL TO CAPITOL STATION, HELENA ...
... JUDGE
... GOVERNOR

MEMORANDUM

May 14, 1973

TO: All State Ad Hoc Coalition Members

FROM: Billie Johnson, Special Assistant
Economic Opportunity Division

RE: New Information

In an attempt to keep all coalition members abreast of changes in other programs, I am sending you the following new information:

Letter from Senator Mansfield

TO BE FILED BEHIND Introductory Section

Letter from State Library

TO BE FILED BEHIND Introductory Section

Report on Better Communities Act

TO BE FILED BEHIND Appendix

TO BE FILED BEHIND

TO BE FILED BEHIND

BJ/jw

STATE OF MONTANA
DEPARTMENT OF INTERGOVERNMENTAL RELATIONS

ECONOMIC OPPORTUNITY DIVISION
OFFICES AT 1424 NINTH, HELENA
MAIL TO CAPITOL STATION, HELENA, MT 59601

406/449-3420

THOMAS L. JUDGE
GOVERNOR

MEMORANDUM

May 7, 1973

TO: All State Ad Hoc Coalition Members

FROM: Billie Johnson, Special Assistant
Office of Economic Opportunity

RE: New Information

In an attempt to keep all coalition members abreast of changes in other programs, I am sending you the following new information:

Outline Summary of Better Communities Act (BCA)

TO BE FILED BEHIND Appendix

Section-by-Section Summary/BCA

TO BE FILED BEHIND Appendix

Analysis of BCA

TO BE FILED BEHIND Appendix

Analysis of Rural Development Act of 1972

TO BE FILED BEHIND Appendix

TO BE FILED BEHIND

BJ/jw

STATE OF MONTANA
DEPARTMENT OF INTERGOVERNMENTAL RELATIONS

ECONOMIC OPPORTUNITY DIVISION
OFFICES AT 1424 NINTH, HELENA
MAIL TO CAPITOL STATION, HELENA, MT 59601

406 449-3420

THOMAS L. JUDGE
GOVERNOR

March 8, 1973

TO: Montana Agencies and/or Organizations Affected By Recent Federal Actions

FROM: dan newman, Administrator
Office of Economic Opportunity

dan newman

RE: Due to lack of available information, a request was made by those assembled at the last meeting, March 5, that the Office of Economic Opportunity bring together all possible data on the impoundments, cutbacks, and elimination of various Federal programs affecting Montana.

Case--This administration has impounded, frozen, or eliminated usage of vast amounts of Federal funds which have been authorized and appropriated by Congress. Social needs affected by this impoundment process include subsidized housing for those who cannot obtain decent shelter through private means; welfare for those low-income and elderly persons who are desperately in need of timely assistance; education and manpower training programs for those who have been socially disadvantaged and who have only recently been given the hope and opportunity to better themselves; water pollution treatment funds; highway funds; assistance programs for farmers; and other domestic programs which can foster improved conditions in our cities, rural areas and our environment generally, and eliminate those conditions which contribute to crime and despair.

In an effort that the hopes and aspirations of vast numbers of elderly persons, tenants, workers, homeowners, students and others are not dashed beneath the pens of efficient and well intentioned, but socially disinterested budget cutters, I suggest the following:

PROPOSED SUGGESTION--We should seek as a consortium of Montanans the release of Congressionally-sanctioned funds, not only to serve the pressing needs of our cities, but vital rural demands as well. Ours should be a common bond: to honor the promises of a few short years ago; namely, that each American should be entitled to decent shelter; adequate health care; educational and job opportunities; and the safe and suitable living environment.

STATE OF MONTANA
DEPARTMENT OF INTERGOVERNMENTAL RELATIONS

ECONOMIC OPPORTUNITY DIVISION
OFFICES AT 1424 NINTH, HELENA
MAIL TO CAPITOL STATION, HELENA, MT 59601

406/449-3420

THOMAS L. JUDGE
GOVERNOR

MEMORANDUM

April 2, 1973

TO: Montana Agencies and/or Organizations Affected by Recent Federal Actions

FROM: dan newman, Administrator
Office of Economic Opportunity

Dan Newman

RE: State Ad Hoc Coalition

At the meeting held on March 12, a coalition was organized for the purpose of gathering and disseminating information regarding the impoundments, cutbacks, and elimination of Montana programs funded by the Federal Government.

I was elected chairman of this ad hoc coalition and my division was asked to serve as the coordinating office.

We will attempt to keep all coalition members abreast of changes in other programs. As individual situations change in regard to programs or funding, I urge each agency and organization to write a memo specifying that change and to send a copy to my office. We will make additional copies and send them to every member of the coalition so that he may update his information.

Billie Johnson, my Assistant for Special Projects, will serve as the contact person in this office. Our address is: Department of Intergovernmental Relations, Economic Opportunity Division, Capitol Station, Helena; our telephone number is 449-3420.

dn/jw

Attachment

WU TXA PTL +
WU AGENT HEL
PRB276(1538)(2-135452E094)PD 04/04/73 1536
ICS IPMMTZZ CSP
2022964945 NL TDMT WASHINGTON DC 100 04-04 0336P EST
PMS DANIEL NEWMANDIRECTOR STATE ECONOMIC OPPORTUNITY OFFICE, DLR
1424 9 AVE
HELENA MT 59601
CONGRATULATIONS/ON THE ESTABLISHMENT OF THE MONTANA COALITION.IT
IS THE LOCAL AND STATE GROUPS SUCH AS YOURS WHICH WILL ULTIMATELY
FORCE A CHANGE HERE IN WASHINGTON. IF THE NATIONAL RURAL HOUSING
COALITION CAN ASSIST IN YOUR EFFORTS PLEASE LET ME KNOW
ROBERT E JOHNSON BOARD CHAIRMAN

155P PST APR 4 1973+
WU AGENT HEL

NATIONAL RURAL HOUSING COALITION

500 Dupont Circle Building
1346 Connecticut Avenue, NW
Washington, DC 20036
Telephone: (202) 296-4945

April 13, 1973

APR 1973 RECEIVED O. E. O. COORDINATOR

RECEIVED APR 17 1973 GOVERNOR'S OFFICE HELENA, MONTANA

The Honorable Thomas L. Judge
Governor
State of Montana
Helena
59601

My dear Governor Judge:

I have just seen the compilation of material on the effect the Administration's impoundment, moratoria, and budget cuts will have in Montana. The report details all too graphically the problems to be faced by large numbers of Montanans as a result of the Administration's actions.

The information prepared by Mr. Daniel Newman and his staff is an excellent example of the kind of research which must be undertaken in every state if we are to assess adequately the impact of the Administration's actions, and to offer effective alternatives. I hope you will assist in giving the material the widest possible circulation.

With all good wishes, I am

Sincerely yours,

Robert E. Johnson

Robert Johnson
Chairman of the Board

State of Montana
Office of The Governor
Helena 59601

THOMAS L. JUDGE
GOVERNOR

April 25, 1973

APR 1973
RECEIVED
O. E. O.
COORDINATOR

Mr. Robert Johnson
Chairman of the Board
National Rural Housing Coalition
500 Dupont Circle Building
1346 Connecticut Avenue, NW
Washington, D.C. 20036

Dear Mr. Johnson:

Thank you for writing about the material compiled by Mr. Newman on the Administration's cut-backs.

I agree with you that this matter was well researched and I will see that it receives wide distribution.

Best regards.

Sincerely,

THOMAS L. JUDGE
Governor

cc: Dan Newman

STATE OF MONTANA
DEPARTMENT OF INTERGOVERNMENTAL RELATIONS

ECONOMIC OPPORTUNITY DIVISION
OFFICES AT 1424 NINTH, HELENA
MAIL TO CAPITOL STATION, HELENA, MT 59601

406/449-3420

THOMAS L. JUDGE
GOVERNOR

May 1, 1973

MEMORANDUM

TO: ALL STATE AD-HOC COALITION MEMBERS

FROM: Dan dan newman, Chairman

SUBJECT: Next Meeting--May 7, 1973

During the last month, and more particularly during the latter part of April, there has been growing interest in the handbook compiled from your contributions: our joint efforts have received notice and commendation from the National Coalition; last week, Governor Judge held a press conference with the information culled from our book; also, copies have been delivered to members of our Congressional Delegation. All of this, in much greater detail, will be discussed at the meeting on May 7.

The efforts made to date are a beginning, but as we all know, our objectives are many and they will only be achieved by your continued interest and support. It is vitally important that we meet to gather further information and to take action, voicing our feelings without vehemence or emotion, logically, reasonably, in an attempt to explain and convince those who still remain unaware or unconvinced.

With these thoughts in mind, please join me Monday, May 7, at 12:00 noon, at Jorgenson's Holiday Inn. Contact Billie Johnson, my Special Assistant, at 449-3420 for reservations.

MIKE MANSFIELD
MONTANA

United States Senate
Office of the Majority Leader
Washington, D.C. 20510

May 1, 1973

Mr. Dan Newman
Administrator
Office of Economic Opportunity
Department of Intergovernmental Relations
Office of the Governor
State of Montana
Helena, Montana

Dear Dan:

This will acknowledge receipt of the memorandum dated April 2 providing detailed statistical information and other background details on the effect of certain reductions on Montana agencies and programs under way in the State.

I appreciate your providing me with this information because it obviously contains a great deal of valuable data which can be used in our continuing effort to bring about the restoration and continuation of many fine Federal programs that have been operating in Montana.

Thank you again, and with best personal wishes, I am

Sincerely yours,

Mike Mansfield

MONTANA STATE LIBRARY
930 EAST LYNDALE AVENUE HELENA, MONTANA 59601

May 8, 1973

The Honorable Thomas L. Judge
Governor of Montana
State Capitol Building
Helena, Montana 59601

Dear Governor Judge:

A recent memorandum was issued by the Economic Opportunity Division of the Department of Intergovernmental Relations concerning the Nixon impoundment and cutback of funds and the effects such actions have on Montana.

I consider the information compiled to be of great significance and importance to the citizens of Montana. The Montana State Library has the responsibility to provide copies of Montana documents to depository libraries in and outside the state.

I respectfully would like to request 19 additional copies of this report so that copies will be available to all Montanans through their public or university libraries.

Thank you for your consideration in this matter.

Sincerely,

Harold L. Chambers

Harold L. Chambers
Documents Librarian

cc: Dan Newman, Administrator
Economic Opportunity Division

EDUCATION

STATE OF MONTANA

SUPERINTENDENT OF PUBLIC INSTRUCTION

HELENA 59601

April 12, 1973

DOLORES COLBURG

Mr. Dan Newman
Director
State Economic Opportunity Office
Department of Intergovernmental Relations
1230 Eleventh Avenue
Helena, Montana 59601

Dear Mr. Newman: Dan

Mr. Ralph Hay, my Executive Assistant, has apprised me of the initiatives you have taken in pooling information from several state offices and agencies about potential reductions in federal funding for the 1974 fiscal year and of your request for specific information concerning funding for programs administered by my office. As you probably know, I have for some time now been speculating on the basis of unofficial information that the situation portends severe implications for elementary, secondary and vocational education in Montana.

Recently, we have obtained official information on the federal administration's budget request for the 1974 fiscal year and have been able to review and analyze more accurately its potential impact on Montana education. This letter and the enclosed references, then, are being sent to document the substantial losses Montana school districts and this office would realize under the administration's proposed budget. Our recent comparative analyses show without question that, should the federal administration's budget request be sustained by the Congress, many Montana school districts will be seriously affected and the operation of numerous educational programs in Montana will be severely disrupted. The prospects are alarming indeed.

For the sake of clarity, this letter is structured to distinguish between flow-through funds for schools and funds for state agency administration and to discuss aspects of the President's education revenue sharing proposal since it is so inextricably tied to the administration's requested budget levels.

Flow-Through Funds for Schools

Under the amounts proposed in the administration's budget request, Montana school districts stand to lose approximately $3.1 million in federal funds for the 1974 school year. That amount represents a cutback of 20.4 percent from the total funding received in comparable programs through the U.S. Office of Education in the 1972 fiscal year.

Table 1 depicts the educational programs to be affected and cites comparative figures for your study. As is noted, the administration's budget request proposes the elimination of three categorical aid programs (Title II of the Elementary and Secondary Education Act for school library resources, Title III of the National Defense Education Act for equipment and minor remodeling in schools and Part B-2 of the Education Professions Development Act for training of teachers and teacher aides). In addition, reductions are proposed for five other programs, with two of

these programs (P.L. 874 providing federal impact aid and Part C of the Vocational Educational Amendments of 1968 for vocational research) having substantial cutbacks.

There are a number of vital services performed in Montana schools under the programs to be curtailed or reduced, but it is the federal impact aid losses on which I wish to focus attention. The potential loss of 45.9 percent in federal impact aid monies for the 1974 fiscal year as compared with the 1972 fiscal year will necessitate a marked increase in local district taxes if those districts now receiving impact aid are to continue operating at just their present levels. Since this particular federal aid program was designed to help offset the impact of federal (hence non-taxable) lands and installations in school districts as well as to help offset the impact caused by influxes of federal employees, then if aid is withdrawn the alternatives available to those school districts losing impact aid would be (1) to impose additional taxes on local taxable property or (2) to restrict the number of educational programs offered in the schools.

The situation can perhaps best be illustrated by an example. The Hays-Lodge Pole school district on the Fort Belknap Indian Reservation, the most extreme case in Montana, would need to levy a 470-mill increase in local property taxes to equal the anticipated loss of impact money. The extremely small amount of taxable property in that district (with a valuation of only $99,000) would make such a levy impossible. Tables II and III detail the additional local taxes in Montana districts which would be made necessary by the loss of impact aid. Yes, district taxpayers <u>might</u> be willing to increase levies to offset the loss of federal impact aid dollars, but I maintain that there is a strong moral, if not legal, reason for the federal government to compensate for the federal property in each district which is not subject to local taxes. Is it justifiable for local property taxpayers to carry a financial burden which should be carried by the federal authority?

<u>State Agency Administrative Funds</u>

If the federal administration's budget request is approved, the ability of my office to provide services to local schools will be drastically curtailed. The situation would be, in fact, acute. We calculate the anticipated losses in state agency administrative funds to exceed $618,000 which represents approximately one-third of the total state and federal funding which supports the current operation of this office. Obviously, losses of this magnitude will necessitate a complete realignment and retrenchment of office functions and a significant decrease in the services and technical assistance we can provide.

Table IV has been prepared to display financial comparisons by program function. In all, the anticipated losses in federal funds for state agency administration total more than 48 percent of the federal funds received by this office in the 1972 fiscal year.

Approximately $200,000 of the losses anticipated would result from the elimination of state agency administrative funds now provided under four federal programs (Titles I and II of the Elementary and Secondary Education Act, Title III of the National Defense Education Act and Part B-2 of the Education Professions Development Act.)

The elimination of funds under Parts A and C of Title V of the Elementary and Secondary Education Act represents well more than half–$407,592–of the $618,000 proposed cutback in federal administrative funds for this office in the 1974 fiscal year. Appendix A describes some of the activities of this office supported under ESEA Title V, a title enacted by the Congress in 1965 for the express purpose of strengthening the resources of state education agencies and of increasing the capabilities of such agencies to deliver services to local school districts. With the elimination of Part C of Title V, this office would lose $96,000 that has been used to support planning and evaluation services; the virtual elimination of the Research, Planning, Development and Evaluation component of this office would result at a time when its services are most critically needed.

Education Revenue Sharing

The dollar figures provided in this letter and the enclosures are based on the assumption that several federal programs–notably those for the education of the disadvantaged, the education of handicapped, occupational, vocational and adult education, and the basic school lunch program–would be replaced in the administration's version of education revenue sharing (authorizing legislation has recently been introduced as the Better Schools Act of 1973).

The administration has communicated its posture that, by replacing categorical aid programs with education revenue sharing, the states and local communities will have greater freedom to determine their own priorities. To attract support for education revenue sharing, the administration's budget request contains a $200 million "sweetener" for the programs "packaged" in the proposal. However, the additional $200 million is little more than a token offering to the nation's schools and does not begin to compensate for the substantial cuts proposed elsewhere in the budget for elementary and secondary education programs. Schools would be sharing cutbacks and state education agencies would be sharing nothing.

What is so frequently disregarded by the administration in its zeal to sell education revenue sharing to the nation is the undiminished need for substantially increased federal appropriations for education. Blandly forgotten somehow in the rash of past Presidential vetoes and the welter of propaganda disseminated by the administration in support of the sharing concept is the reality that national educational needs far exceed federal dollar appropriations. While estimated outlays for the 1974 fiscal year in the defense, space and technology, international affairs and finance functions continue to increase, the estimated outlay for the education and manpower function represents only 3.7 percent of total federal expenditures estimated for all functions of the federal government in the 1974 fiscal year.

The prospects for education are deeply disturbing and profoundly dismaying. Numerous valuable federally funded education programs are vulnerable to elimination or substantial reduction without promise of a palatable alternative and, most importantly, with apparent disregard for transition and planning. Undoubtedly, the reduction and eliminations will have a direct and detrimental effect on the quality of education in Montana.

Similar information has been sent to the Governor, to selected legislative leaders and to members of our Congressional delegation, whom I have urged to take action extending the various categorical aid programs and restoring budgets to a level of adequacy. If you or others to whom you might distribute this material have questions about any of the data I am providing, please do not hesitate to let me know.

Sincerely,

Dodie

DOLORES COLBURG
State Superintendent

DC:wpc

Enclosures

TABLE I
ANTICIPATED LOSSES IN FEDERAL FLOW THROUGH FUNDS FOR 1973 AND 1974 FISCAL YEARS

Flow through education funds are allocated by the U.S. Office of Education for use by Montana school districts. The data provided was prepared by the State Superintendent's office on the basis of federal appropriations for the 1972 fiscal year, continuing resolutions passed by the Congress for the 1973 fiscal year and amounts included in the federal administration's budget request for the 1974 fiscal year. Gains and losses in dollars and percentages indicated in Columns 2 and 3 are gains and loses respectively when compared with the data in Column 1.

	Program	Actual FY 1972 (Col. 1)	Estimated FY 1973 (Col. 2)	Budget Request FY 1974 (Col. 3)
1.	ESEA I, Aid for the Disadvantaged	$4,299,091	$4,051,877	$4,271,091
			-247,214	-28,000
			-5.85%	-.07%
2.	ESEA II, School Library Resources	278,651	193,940	0
			-84,711	-278,651
			-30.40%	-100%
3.	ESEA III, Innovative & Exemplary Programs	532,198	534,250	532,198
	Commissioner	93,917	94,280	93,917
	Sub-Total	626,115	628,530	626,115
			+2,415	
			+.04%	
4.	ESEA VII, Bilingual Education	265,000	359,514	360,000
			+94,514	+95,000
			+35.67%	+35.85%
5.	Public Law 81-874, Federal Impact Aid Maintenance and Operation	5,705,228	4,214,000	3,084,000
			-1,491,228	-2,621,228
			-26.14%	-45.94%

	Program	Actual FY 1972 (Col. 1)	Estimated FY 1973 (Col. 2)	Budget Request FY 1974 (Col. 3)
6.	Public Law 81-815, Finance Assistance for School Construction	$ 270,514	0 -270,504 -100%	0 -270,504 -100%
7.	Economic Opportunity Act Section 222, Follow Through	539,103	519,312 -19,791 -3.67%	534,875 -4,228 -.08%
8.	National Defense Education Act, Title III, Equipment and Minor Remodeling for Schools	207,290	0 -207,290 -100%	0 -207,290 -100%
9.	Education of the Handicapped Act State Grant	120,000	120,000	120,000
10.	EHA, Part D, Secs. 631 and 632, Special Education & Manpower Development	50,624	52,000 +1,376 +2.72%	52,010 +1,386 +2.74%
11.	Vocational Research Vocational Education Amendments of 1968, Part C	146,539	146,539	73,269 -73,270 -50.0%
12.	Adult Education	251,812	251,812	251,812
13.	Vocational Education Grants to State	1,994,012	1,994,012	1,994,012
14.	Education Professions Development Act Part B-1, Teacher Corps	330,741	581,155 +250,414 +75.71%	527,177 +196,436 +59.39%
15.	EPDA, Part B-2, State Grant Teacher Training Needs	134,969	103,136 -31,833 -23.59%	0 -134,969 -100%

Program	Actual FY 1972 (Col. 1)	Estimated FY 1973 (Col. 2)	Budget Request FY 1974 (Col. 3)
16. EPDA, Part D, Urban-Rural	$ 85,000	$ 225,000 +140,000 +164.71%	$ 185,000 +100,000 +117,65%
17. EPDA, Part D, Career Opportunity	$ 176,687	$ 176,270 -417 -.02%	$ 233,875 +57,188 +32.37%
18. EPDA, Part F, Vocational Education	26,000	26,000	25,500 -500 -1.92%

SUMMARY BY CATEGORY

	Program	Actual FY 1972 (Col. 1)	Estimated FY 1973 (Col. 2)	Budget Request FY 1974 (Col. 3)
1.	Total, Elementary and Secondary Education	$5,468,857	$5,233,861 -234,996 -4.30%	$5,257,206 -211,651 -3.87%
2.	Total, Follow Through and NDEA III	746,393	519,312 -227,081 -30.42%	534,875 -211,518 -28.34%
3.	Total, Federal Impact Aid and School Construction	5,975,732	4,214,000 -1,761,732 -29.48%	3,084,000 -2,891,732 -48.39%
4.	Total, Education for the Handicapped	170,624	172,000 +1,376 +.08%	172,010 +1,386 +.08%
5.	Total, Occupational, Vocational and Adult Education	2,392,363	2,392,363	2,319,093 -73,270 -3.06%
6.	Educational Development	753,397	1,111,561 +358,164 +47.54%	971,552 +218,155 +28.96%
7.	TOTALS, SIX CATEGORIES	$15,507,366	$13,643,097 -1,864,269 -12.02%	$12,338,736 -3,168,630 -20.43%

TABLE II

ANTICIPATED LOSSES IN FEDERAL IMPACT AID FOR SELECTED MONTANA SCHOOL DISTRICTS IN THE EASTERN CONGRESSIONAL DISTRICT*

FOR THE 1974 FISCAL YEAR

Name	District Entitlement at 1972 Rate of Payment	Anticipated Dollar Reduction for 1974	Anticipated Percentage Reduction	Percentage of Loss to the Total School Maintenance & Operation Costs of 1972	Dollars Raised Per Mill	No. Mills Requir to Raise Amount Anticipated Loss
Ashland El.	$ 6,408	$ 3,513	54.8	5.7	1,058.86	3.31
Billings El.	68,138	68,138	100.0	.7	82,819.87	.82
Billings H.S.	39,657	39,657	100.0	.7	95,257.06	.42
Brockton El.	84,630	28,756	34.0	14.0	378.44	76.01
Brockton H.S.	22,168	13,206	59.5	12.9	378.44	34.83
Bozeman El.	24,671	24,671	100.0	1.0	17,895.89	1.34
Bozeman H.S.	21,285	20,743	97.0	1.5	12,800.47	1.62
Dodson El.	7,631	1,965	25.8	2.0	1,387.49	1.41
Edgar H.S.	26,565	8,995	33.0	9.5	1,016.61	8.82
Fort Peck El.	53,963	19,209	35.5	14.0	157.56	121.84
Frazer El.	34,387	12,890	37.0	9.0	644.51	20.04
Frazer H.S.	21,014	8,264	39.0	10.5	1,643.04	5.02
Froid H.S.	5,072	3,045	60.0	2.3	1,270.97	2.39
Gardiner El.	26,252	15,934	60.5	12.3	957.38	16.68
Gardiner H.S.	47,485	17,439	36.5	10.8	1,213.14	14.53
Glasgow El.	225,608	83,699	37.0	8.0	8,159.52	10.28
Glasgow H.S.	81,130	30,511	37.5	4.3	8,878.01	3.44
Great Falls El.	838,402	385,842	46.0	3.8	69,120.33	5.57
Great Falls H.S.	315,958	169,203	53.5	3.3	71,362.62	2.36
Hardin El.	177,205	72,548	41.0	7.7	8,308.37	8.74
Hardin H.S.	48,530	16,951	35.0	3.9	10,246.54	1.63
Harlem El.	85,854	29,413	34.0	8.0	1,747.71	16.82
Harlem H.S.	61,534	20,459	33.0	6.0	2,945.32	6.95
Hays-Lodge Pole El.	136,187	45,132	33.0	11.8	96.00	470.22
Lame Deer El.	131,439	42,911	33.0	19.0	194.93	220.13

*Information is provided for 40 of the 49 applicant school districts in the Eastern Congressional District which are entitled to Federal Impact Aid

Name	District Entitlement at 1972 Rate of Payment	Anticipated Dollar Reduction for 1974	Anticipated Percentage Reduction	Percentage of Loss to the Total School Maintenance & Operation Costs of 1972	Dollars Raised Per Mill	No. Mills Requir to Raise Amount Anticipated Loss
Lodge Grass El.	158,391	66,700	42.0	23.5	1,936.37	34.38
Lodge Grass H.S.	48,307	18,123	37.5	10.8	4,233.74	4.26
Malta El.	8,624	8,022	93.0	2.3	4,395.26	1.83
Malta H.S.	10,554	10,554	100.0	3.5	6,167.82	1.71
Miles City El.	15,583	12,874	82.5	1.3	8,718.92	1.47
Miles City H.S.	11,591	10,885	94.0	1.3	14,786.85	.74
Nashua El.	7,539	5,701	75.5	3.0	1,675.81	3.40
Nashua H.S.	16,057	11,001	68.5	5.0	1,833.38	6.34
Opheim El.	38,305	16,162	42.0	4.3	2,478.39	6.54
Poplar El.	163,614	57,494	35.0	10.8	4,915.70	11.68
Poplar H.S.	68,338	27,266	40.0	8.5	4,915.70	5.56
Pryor El.	29,918	8,976	30.0	7.8	769.89	
Wolf Point El.	56,994	17,550	30.8	3.5	4,110.06	4.28
Wolf Point H.S.	29,179	10,838	37.0	2.5	6,843.24	1.58
Wyola El.	24,701	14,953	60.0	12.0	1,098.14	13.63

TABLE III

ANTICIPATED LOSSES IN FEDERAL IMPACT AID FOR SELECTED MONTANA HIGH SCHOOL DISTRICTS IN THE WESTERN CONGRESSIONAL DISTRICT*
FOR THE 1974 FISCAL YEAR

Name	District Entitlement at 1972 Rate of Payment	Anticipated Dollar Reduction for 1974	Anticipated Percentage Reduction	Percentage of Loss to the Total School Maintenance & Operation Costs of 1972	Dollars Raised Per Mill	No. Mills Requir[ed] to Raise Amount [of] Anticipated Loss
Arlee El.	56,265	23,144	41.0	12.5	920.02	25.12
Arlee H.S.	27,495	7,593	27.5	5.0	920.02	8.26
Browning El.	660,667	224,824	29.0	19.0	4,381.33	51.29
Browning H.S.	215,576	77,341	35.8	15.0	6,150.78	12.55
Central El.	2,826	2,826	100.0	11.3	174.73	16.17
Charlo El.	5,945	4,599	77.0	3.0	1,101.43	4.18
Charlo H.S.	9,509	8,933	94.0	6.8	1,101.43	8.11
Columbia Falls El.	49,926	33,969	68.0	3.0	16,175.37	2.10
Columbia Falls H.S.	23,169	18,475	79.8	2.3	16,175.37	1.14
Darby El.	22,979	13,044	56.8	6.8	2,518.04	5.18
Darby H.S.	6,801	3,880	57.0	3.3	2,678.42	1.45
Dayton E.	5,263	3,134	59.5	15.5	996.71	3.15
East Glacier El.	10,199	5,633	55.3	11.8	754.81	7.46
East Helena El.	10,263	5,856	57.0	1.7	2,852.91	2.05
Eureka El.	39,133	37,026	94.7	11.5	2,711.83	13.65
Lincoln Co. H.S.	26,888	24,133	89.8	7.5	3,921.50	6.15
Fortine El.	5,773	5,773	100.0	9.3	361.90	15.95
Hamilton El.	26,992	26,390	97.8	4.3	5,552.44	4.75
Hamilton H.S.	18,099	17,754	98.0	4.8	5,552.44	3.20
Helena El.	41,762	41,762	100.0	1.0	23,225.50	1.80
Helena H.S.	38,344	35,849	93.5	.9	34,542.11	1.03
Hot Springs El.	16,378	9,499	58.0	7.0	1,160.31	8.18
Hot Springs H.S.	15,667	8,811	56.3	6.7	1,938.31	4.55
Koocanoosa El.	2,243	2,243	100.0	4.0	305.57	7.34
Lakeside El.	15,019	5,385	36.0	4.5	1,231.94	4.46
Libby El.	120,824	117,212	97.0	8.2	11,135.37	10.52

*Information is provided for 55 of the 98 applicant school districts in the Western Congressional District which are entitled to Federal Impact Aid

Name	District Entitlement at 1972 Rate of Payment	Anticipated Dollar Reduction for 1974	Anticipated Percentage Reduction	Percentage of Loss to the Total School Maintenance & Operation Costs of 1972	Dollars Raised Per Mill	No. Mills Required to Raise Amount of Anticipated Loss
ibby H.S.	54,850	54,475	99.3	6.9	11,135.37	4.89
lissoula El.	64,527	64,527	100.0	1.3	40,383.10	1.60
lissoula H.S.	41,919	41,919	100.0	1.3	54,920.04	.76
oxon El.	5,303	3,524	66.5	3.5	2,729.81	1.29
oxon H.S.	10,512	9,793	93.2	6.8	5,177.64	1.89
lney El.	2,982	2,982	100.0	6.0	524.92	5.68
olson El.	17,936	11,312	63.0	2.3	8,870.83	1.28
olson H.S.	13,658	8,227	60.3	2.0	10,988.91	.80
onan El.	34,030	13,721	40.3	2.0	3,460.35	3.96
onan H.S.	28,111	9,995	35.5	3.0	3,460.35	2.89
t. Ignatius El.	56,210	31,418	55.9	11.0	1,513.73	20.75
t. Ignatius H.S.	21,890	13,864	63.3	7.9	1,513.73	9.15
t. Regis El.	19,371	15,568	80.3	14.8	852.57	18.27
t. Regis H.S.	8,126	7,084	87.0	6.5	1,356.36	5.22
eeley Lake El.	5,294	2,886	54.5	2.0	1,038.07	2.78
tevensville El.	5,809	5,809	100.0	2.3	2,474.06	2.35
tevensville H.S.	6,136	5,823	94.9	3.0	2,904.13	2.01
uperior El.	14,988	14,687	98.0	7.0	1,712.17	8.58
uperior H.S.	8,362	8,362	100.0	5.5	1,742.63	4.80
arget Range El.	13,196	9,283	70.3	3.5	1,809.17	5.13
hompson Falls El.	10,240	9,137	89.2	3.8	3,853.19	2.37
hompson Falls H.S.	7,731	7,731	100.0	6.0	3,853.19	2.01
rego El.	7,380	5,299	71.8	10.0	542.19	9.77
rout Creek El.	10,460	8,631	82.5	11.5	2,153.31	4.01
roy El.	23,496	20,486	87.0	8.3	1,735.11	11.81
roy H.S.	18,362	18,362	100.0	9.5	2,162.93	8.49
ictor El.	6,280	6,280	100.0	5.8	1,131.91	5.55
ictor H.S.	3,615	3,615	100.0	4.3	1,131.91	3.19
West Yellowstone El.	9,063	6,655	73.4	9.3	2,062.83	3.22

TABLE IV

ANTICIPATED LOSSES IN FEDERAL FUNDS FOR STATE AGENCY ADMINISTRATION FOR 1973 AND 1974 FISCAL YEARS

State agency administrative funds are allocated by the U. S. Office of Education to Montana for use by the Superintendent of Public Instruction in administering various federal programs and for strengthening the State Superintendent's office. The data provided was prepared by the State Superintendent's office on the basis of federal appropriations for the 1972 fiscal year, continuing resolutions passed by the Congress for the 1973 fiscal year and amounts included in the federal administration's budget request for the 1974 fiscal year. Gains and losses in dollars and percentages indicated in Columns 2 and 3 are gains and losses respectively when compared with the data in Column 1.

Program	Actual FY 1972 (Col. 1)	Estimated FY 1973 (Col. 2)	Budget Request FY 1974 (Col. 3)
1. Elementary and Secondary Education Act, Title I, Aid for Disadvantaged Students	$ 150,000	$ 150,000	$ 0 150,000 -100%
2. ESEA II, School Library Resources	50,000	50,000	0 -50,000 -100%
3. ESEA III, Innovative and Exemplary Programs	150,000	150,000	150,000
4. ESEA V, Part A, Strengthening State Agencies	311,592	311,592	0 311,592 -100%
5. ESEA V, Part C, Comprehensive Planning and Evaluation for State Agencies (formerly Sec. 402)	96,000	96,000	0 -96,000 -100%
6. Economic Opportunity Act Follow Through (Section 222)	8,720	8,696 -24 -.03%	8,568 -152 -1.74%

SUMMARY BY CATEGORY

Program	Actual FY 1972 (Col. 1)	Estimated FY 1973 (Col. 2)	Budget Request FY 1974 (Col. 3)
1. Total, Elementary and Secondary Education	$ 757,592	$ 757,592	$ 150,000 -607,592 -80.20%
2. Total, Follow Through & NDEA III	22,053	18,695 -3,358 -15.23%	8,568 -13,485 -61.15%
3. Total, Education for the Handicapped	91,655	91,809 +154 +.02%	91,900 +245 +.03%
4. Total, Occupational, Vocational and Adult Education	375,711	375,711	369,711 -6,000 -1.60%
5. Educational Development	36,374	41,889 +5,515 +15.16%	44,700 +8,326 +22.89%
6. TOTALS, FIVE CATEGORIES	$1,283,385	$1,285,696 -2,311 -0.2%	$ 664,879 -618,506 -48.19%

	Program	Actual FY 1972 (Col. 1)	Estimated FY 1973 (Col. 2)	Budget Request FY 1974 (Col. 3)
7.	National Defense Education Act, Title III, Equipment and Minor	$ 13,333	$ 9,999 -3,334 -25.0%	$ 0 -13,333 -100%
8.	Education of the Handicapped Act, State Grant	80,000	80,000	80,000
9.	EHA, Part D, Secs. 631 and 632, Special Education and Manpower Development	11,655	11,809 +154 +1.32%	11,900 +245 +2.10%
10.	Vocational Research	36,439	36,439	30,439 -6,000 -16.47%
11.	Adult Education	27,500	27,500	27,500
12.	Vocational Education, Grants to State	311,772	311,772	311,772
13.	Education Professions Development Act, Teacher Training Needs, Part B-2, State Grant	4,174	3,189 -985 -23.60%	0 -4,174 -100%
14.	EPDA, Part D, Career Opportunities		6,500 +6,500 +100%	13,000 +13,000 +100%
14.	EPDA, Part F, Vocational Education	9,000	9,000	8,500 -500 -.55%
16.	Drug Abuse Education Act	23,200	23,200	23,200

Superintendent of Public Instruction
March 20, 1973

APPENDIX A

DESCRIPTION OF SELECTED ACTIVITIES IN STATE SUPERINTENDENT'S OFFICE SUPPORTED WITH ESEA TITLE V FUNDS

Data Processing Services

In the 1972 fiscal year, 70 Montana high schools and junior high schools were provided with computerized class scheduling services, an activity initiated in 1969. Dozens of commendatory letters from local school officials attest to the value of this service, and many requests have been received from school officials to expand computerized services in grade reporting and other areas of school administration.

A computerized entry/exit/follow-up system has been designed and implemented to study the effectiveness of the training received by vocational education students. The system emphasizes the relationship between vocational training and job availability.

School census is now computerized, resulting in a time savings for district officials and in the compilation of complete and accurate reports on the number of children 21 years of age or younger in every school district in Montana.

A new program for the distribution of state equalization aid to school districts also has been designed and computerized, decreasing both the complexity of procedures and the amount of time required for previous hand calculations.

The booking of films requested by school districts from the audiovisual library also is done on the computer. Last year, more than 77,800 films were processed and shipped to schools with a minimum amount of effort because the computer provided for scheduling and printed the shipping labels and confirmation notices.

The computer is also being used in a needs assessment program to determine goals of education for Montana, in the ESEA Title I program to determine eligibility of applicants and incentive payments, and in the teacher certification program to print individual certificates.

Only a few of the services provided to Montana schools as a result of the Data Processing Services program are mentioned. Several other similar activities are being conducted in the current fiscal year.

School Community Assistance Process

Title V funds are being used in the current fiscal year to support the office's School-Community Assistance Process, a description of which is attached. The process, an activity which has high potential for helping districts and communities make systematic

and comprehensive educational change, is now operating in 17 Montana school districts and more districts are expected to participate in the near future.

Legal and Legislative Activity

Legislative activities are being supported with Title V funds, the objectives of which are to improve the office's capability in initiating and gaining support for needed legislation, to respond both to legislators and public inquiries and to increase understanding of potential or newly enacted education legislation. A staff member is assigned extensive responsibility in identifying, researching, documenting and developing proposed legislation.

In addition, legal assistance is contracted to aid the State Superintendent in responding to a number of appeals on pupil transportation, teacher tenure and similar matters. State statutes dictate that timely decisions must be rendered, and frequently three or four appeals are under study simultaneously.

Elementary Education

Through Title V, the elementary education program is augmented by the activities of an assistant supervisor. The services of an assistant have allowed an increase in the number of workshops on instructional methods conducted for teachers and the number of visitations conducted annually to help schools placed on probation to improve their educational programs.

Teacher Education

For the past three years, Title V funds have contributed to the support of the Teacher Education program. The objective of the program is to improve teacher education by coordinating the office's efforts with those of teacher-training institutions and school districts in Montana. Studies of competency and performance-based teacher education programs, certification endorsement categories and alternatives to the present mode of renewing certificates are being conducted.

Federal Programs Consulting

The position of Federal Programs Consultant is supported by Title V funds to provide consultative and technical assistance to the State Superintendent's staff and to school districts interested in participating in various federal programs. The work of this consultant includes coordinating federal programs administered by the office, researching new programs and changes in existing programs, and monitoring the development of state plans and reports on federal programs. The consultant provides school districts with information on federal programs and assists them, on request, in preparing

applications for federal assistance concerning federal educational programs not administered by the State Superintendent's office.

Internal Support Services

Approximately 23 per cent of the Title V funds received by the office support the Internal Support Services component, the operational core of the State Superintendent's office. Component activities include budget planning and control, fiscal analysis and review, fiscal data gathering, accounting, purchasing, inventory, personnel services and staff support services for the office and its facilities.

school-community assistance process

INTRODUCTION

Superintendent of Public Instruction Dolores Colburg and her staff currently are developing a process to help school people accomplish changes desired in their local districts. The process centers on planning and evaluation.

Very briefly, the process provides means for a district to write or review its philosophy and goals, identify educational needs, develop alternative solutions to meet needs, plan and implement desired changes and evaluate new or existing school programs.

Staff members in the State Superintendent's office view this six-step process as being applicable to the entire state educational system. The School-Community Assistance Process can serve as a core for overall activities of the State Superintendent. While the elements in the process are not in themselves novel, the commitment of a state's entire educational system to such a program of coordinated planning and evaluation is new. However, it is emphasized that the implementation of such a program in a local school district must result from voluntary commitment by that district. It is not the aim of the State Superintendent's office to force changes and improvement, but rather to foster and encourage local district personnel to develop their own skills in planning and evaluation.

The six basic steps of the process can help a local district answer such questions as:

- What is the present status of our school program?
- For what should schools be held accountable?
- Where are we in relation to our goals and objectives?
- What are our needs?
- Are new programs achieving what they were intended to achieve?
- How can we improve a program?

STEPS

Step one is "entry." Staff from the state office and concerned individuals from a local district will meet to discuss the process. At that time, the phases and functions of the School-Community Assistance Process will be explained in detail. The local district superintendent and the school board subsequently will decide whether or not to commit the district to the School-Community Assistance Process. If the district decides not to become involved, the process ends. If the district chooses to participate, step two will then begin.

In step two, the community's educational needs will be identified. The district will examine the community's stated values, beliefs and aspirations pertaining to education. Surveys of students, staff and community members may be employed to help identify the district's needs, goals and philosophy. The information collected could include expressions of concern by private individuals and professional opinions of educators. The local school board at this point could select a School-Community Council, if it so desires, that would use the information and data gathered during the surveys to organize a priority list of school needs and problems. This list would be submitted to the local board for feedback, modification and subsequent acceptance. If desired, the local board could choose to have its members serve on the School-Community Council. Whatever the council membership, the State Superintendent's office will provide, on request, training in the skills needed to conduct a good needs assessment.

In step three, the district will develop alternative means and solutions for achieving the priority goals. These alternatives will grow from a careful investigation of the local and external resources available, an assessment of programs elsewhere having similar goals, and imaginative design of new programs. With a list of possible solutions available, specific written objectives can be developed.

The development of the school plan, the fourth step, allows persons involved in the process to decide upon the procedures for installing the alternatives decided upon in step three. Each plan will include evaluation procedures and will be discussed thoroughly with students, staff and the community. Then, each plan will be presented to the board for approval, at which time the board will assign responsibilities for implementation. Since even the most intricate plans will not account for every possible difficulty, everyone involved in the process must be willing to modify the plans when necessary. The board will monitor progress and approve changes.

Once the plans have been approved, the process moves on to step five in which the plans are implemented. At this point, all individuals involved in the process should be highly committed to the planned changes, and a continuing evaluation procedure should be established. As the plans are being carried out, persons involved in the process should anticipate needs and criticisms and make needed adjustments. Special consultants may be required and an effort should be made to keep the lines of communication open.

Evaluation, the sixth step, will require that the board examine the programs in operation, determine whether or how well they are meeting the stated objectives, and decide in light of this information whether the programs should be continued, modified or discontinued. A careful design of evaluation procedures in step five will insure that at this point the board has accurate information from which to decide. Evaluation should not be regarded as the final "judgment day" for any program, but rather as a tool for improving programs. Even successful ideas can be made better, and even most unsuccessful programs can be salvaged if the problems confronting them are identified and surmounted.

Any skill training needed to complete the School-Community Assistance Process can be provided or arranged by the Office of the Superintendent of Public Instruction. During the conduct of the overall process, continuous exchange of ideas ought to take place so that commitment can be maintained by everyone who participates.

DEVELOPMENT, INVOLVEMENT AND RATIONALE

The State Superintendent and her staff are committed to helping schools throughout the planning and evaluation processes. The School-Community Assistance Process has been developed from consultations with experts in the areas of planning and evaluation, visitations to states offering similar services to schools, discussions with Montana school personnel and original ideas from within the state office. Every effort is being made to insure that the Montana School-Community Assistance Process contains the best approaches, ideas and organization available. Even so, it can be improved and should be adapted to fit local situations. Districts should feel free to use either the entire process or any parts of it that appear useful.

The state office staff plans to provide assistance to approximately fifty local districts during the 1972-73 school year. Districts desiring to participate or interested in participating should send the Superintendent a letter of intent or inquiry. When a district decides to participate, a team of staff members from the state office will then be available for liaison, training and consultation. The team will be assigned to the district for the duration of the process, which could be from nine to eighteen months. Each team will have at its disposal the resources of the state office as well as other expertise in special areas if it is needed.

The School-Community Assistance Process will not painlessly solve all of a school district's problems, but it is a means by which a district can systematically plan desired changes.

The motivations and premises giving birth to the process are simple: changes in our world are occurring at a tremendous rate. American citizens expect their education to be useful in a modern world and education will have to be adaptable to be useful. No one person or group in Montana is capable of predicting which specific changes will have to occur in all Montana schools. But with the School-Community Assistance Process as a tool, every school district can plan, implement and evaluate the changes that it believes will improve its educational program.

UNIVERSITY SYSTEM

April 2, 1973

APR 1973
RECEIVED
O. E. O.
COORDINATOR

Senator Michael J. Mansfield
Senate Office Building
Washington, D. C. 20510

Same letter to Senator Metcalf, Representative Melcher and Representative Shoup

Dear Senator Mansfield:

About two months ago I had the opportunity to visit with a member of your staff to discuss the proposed budget recommendation. At that time I indicated some of the problems that would certainly surface during fiscal year 1973-74 at the institutions of higher education in Montana. As you know, it is extremely difficult in analyzing categorical aid from the various Federal agencies, to keep track of the programs phased out and in the process of being phased out, as well as those new programs that have been authorized but not funded and other new programs that have been proposed.

The attached study that I have consolidated for your use is based, in part, on information received from the units of the Montana University System and the private colleges. I have attached, for your information, copies of the responses I received relative to an inquiry I sent out in February. Also enclosed is a copy of the consolidated enrollment report from the units of the University System, as well as the private colleges and the community colleges.

Needless to say, about four million dollars in Federal funds is a sizable sum when the Fall, 1972 enrollment of the twelve institutions of higher education was slightly under 27,000 students. I am sure there are other lost funds that have been overlooked for one reason or another, such as the maintenance of effort provision. In the analysis I have not included all the specific categorical grants from the National Science Foundation or the National Institute of Health, but have tried to zero in on the money from the Office of Education.

If I can be of service in answering questions that come up regarding the funding of these programs, please feel free to contact me.

Sincerely,

William J. Lannan
Assistant Executive Officer

WJL:wb
Enclosures

PROJECTED DECREASE IN CATEGORICAL AID IN MONTANA

Programs:	FY 1973-1974
Student financial ais	$2,500,000
Hatch Act	186,000
Bankhead-Jones	157,000
McIntire-Stennis	139,000
Community Services	114,000
Undergraduate instructional equipment	53,000
Facilities construction and planning grants	260,000
Smith-Lever	24,000
Vocational Education	40,000
Library Aid	10,000
Education Professional Development Act	131,000
Sub-Total	$3,614,000

Other Programs:	
National Institute of Health -	
Medical Records	40,000
Medical Technology	6,000
Nutritional Aid	6,000
Emergency Employment	34,000
Model Cities related	40,000
Sub-Total	$126,000
TOTAL	$3,740,000

CARROLL COLLEGE
HELENA, MONTANA
59601

V. JOSEPH D. HARRINGTON
PRESIDENT

April 6, 1973

Dear Senator Metcalf:

This week we received a telephone call from a Dr. DeLong of the Division of Allied Health Manpower of the National Institutes of Health concerning Carroll College's application for assistance under the Allied Health Special Improvement Program.

Dr. DeLong has informed us that the programs sponsored at Carroll College under the Allied Health Special Improvement grant will be phased out during the current year and will be funded during the 1973-74 year at a substantially reduced level. Beyond 1973-74 there would be no funding whatsoever. This is the first official response we have received relative to our application for renewed funding. The application for renewal was filed January 26, 1973. I am enclosing with this letter copies of documents relative to the three programs concerned at Carroll College. There is also attached a statement indicating the impact of the proposed reductions on Carroll College. We are particularly concerned because Carroll College is the only school in Montana currently providing a program in Medical Record Administration and considering a program in Dental Hygiene. Since the Dental Hygiene Program was just getting underway, it now appears there will be no adequate funds for renovation and equipment. Consequently, the program will most likely need to be canceled and dropped entirely. We have no other sources of funds to initiate the Dental Hygiene Program.

Any assistance you can give us to provide full funding, especially for Dental Hygiene, will be most gratefully appreciated. In order to initiate the Dental Hygiene Program we would need $128,762 as requested in the January 26th application. The amount we have been assigned is $25,877.

Thank you for your many kindnesses.

Sincerely yours,

Rev. Joseph D. Harrington
President

Senator Lee Metcalf
Old Senate Office Building, Room 427
Washington, DC 20202

Impact on Carroll College of the President's Budget of January 29, 1973
in the Area of Allied Health Programs

Just two years ago Carroll College received much encouragement, both at the State and at the national levels to begin to implement programs and changes in three allied health professions. The encouragement at the State level came from interested groups and agencies which pointed up the fact that Carroll College could help fulfill some real need for the people and State of Montana. At the national level we were encouraged to proceed with new programs and modifications by the Bureau of Health Manpower Education of HEW.

The programs of concern to Carroll College which we have begun and which are now drastically affected by President Nixon's budget are:

1) Medical Record Administration

2) Medical Technology

3) Dental Hygiene

On the basis of the proposal submitted by Carroll College on January 11, 1972, the projects proposed were approved by the Bureau of Health Manpower Education to begin on July 1, 1972, with continuation recommended for four additional budget periods.

We feel that the Bureau of Health Manpower Education, NIH of the Department of Health, Education, and Welfare, has made a commitment to the College, encouraging us to invest our own time and resources over the past two years and into the future in order to implement new programs and to upgrade offerings. It has been our understanding that implementation support would be continued for the Grant Period specified by the Notice of Grant Award, namely, from

July 1, 1972, through June 30, 1977.

The data below describes the amount of money concerned for each budget year and therefore the commitment we feel was made. Dollars indicated are for direct costs approved for support from the Division of Allied Health Manpower. These are described by project.

1) Medical Record Administration

Budget Period -- 01 -- FY-72	Current budget year funded, July 1, 1972, through June 30, 1973	$92,298
	Continuation for additional budget years:	
Budget Period -- 02 -- FY-73	July 1, 1973, through June 30, 1974	$37,409
Budget Period -- 03 -- FY-74	July 1, 1974, through June 30, 1975	$32,041
Budget Period -- 04 -- FY-75	July 1, 1975, through June 30, 1976	$33,261
Budget Period -- 05 -- FY-76	July 1, 1976, through June 30, 1977	$35,045

It may be well to mention here that Carroll College has launched the only training center for Medical Record Administration in our several state area. The nearest other such schools are in California, Seattle, Minneapolis, and Texas. This program is described locally in Montana as being vital to the State to give training for students who will stay to serve and work in Montana and surrounding states.

2) Medical Technology

Budget Period -- 01 -- FY-72	Current budget year funded, July 1, 1972, through June 30, 1973	$22,701

Continuation for additional
budget years:

Budget Period -- 02 -- July 1, 1973, through
FY-73 June 30, 1974---------------------------$16,995

Budget Period -- 03 -- July 1, 1974, through
FY-74 June 30, 1975---------------------------$18,402

Budget Period -- 04 -- July 1, 1975, through
FY-75 June 30, 1976-------------------------- $18,856

Budget Period -- 05 -- July 1, 1976, through
FY-76 June 30, 1977---------------------------$20,364

The College has launched a major improvement effort for its program in medical technology. This improvement is based upon the current funded portion of the project and upon the continuation as outlined above. Carroll College has committed itself to this program improvement with the understanding the federal funds would be forthcoming and we have proceeded to describe these improvements to prospective students in our State.

3) Dental Hygiene

Budget Period -- 01 -- Current budget year funded,
FY-72 July 1, 1972, through June 30, 1973------- $38,742

Continuation for additional
budget years:

Budget Period -- 02 -- July 1, 1973, through
FY-73 June 30, 1974---------------------------$128,762

Budget Period -- 02 - 05 July 1, 1974, through
FY 73-76 June 30, 1977-------------------------amounts were not specified in the original proposal but are estimated to be about $40,000 per budget year.

In addition, for the 02 Budget Period, the College has submitted a supplemental request for $83,931. This was necessary because of additional renovation needed as a result of reduced level of participation in the program on the part of the Veterans' Administration Hospital at Fort Harrison, Montana.

The dental hygiene program being inaugurated at Carroll College is the only one in the State of Montana. We have been encouraged to begin the program because of the strong orientation of the College toward paramedical education and also because of the critical need described by the State Dental Association for dental hygienists in Montana.

In the President's Budget, as we interpret it, the amount of money allowed for these programs has been cut to about one half of what was originally proposed for FY-73. This means the amount of money available from the budget for project continuation in the second budget year, July 1, 1973, through July 3, 1974, will be fifty to sixty cents on the dollar. For FY-74, the Budget proposes nothing for these programs.

It is immediately apparent that the President's Budget submitted to the Congress on January 29, 1973, will have a serious impact, not only on Carroll College itself, but also, if it remains unchanged in this area will most likely result in the lose and discontinuation of several education programs of particular importance to the people of Montana and of special significance for their well-being.

We think an unusual precedent is being suggested by the President's Budget of January 29th. It has been the historical reputation of the United States Government to fund worthwhile programs it begins to completion where it has made commitments to other organizations working within the private sector; particularly is this so in the area of education and health. We have no other source to turn to for the funds we will need. It seems here, in the case of Carroll College, programs have been initiated and commitments made. Now, we seem to see in our interpretation of the new Budget a sudden withdrawal of support for

programs already approved for a specified period of time. We respectfully request that the Budget be modified in such a way as to fulfill the commitments made when the projects described herein were approved.

For information purposes we are attaching also copies of the approval authority documents from the Bureau of Health Manpower Education. Further descriptive details of the programs and projects will be made available upon request.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
PUBLIC HEALTH SERVICE
NATIONAL INSTITUTES OF HEALTH
BETHESDA, MARYLAND 20014

MAY 25, 1972

BUREAU OF HEALTH MANPOWER EDUCATION

REF: ALLIED HEALTH SPECIAL IMPROVEMENT PROGRAM

SISTER ANNE M BOUFFARD
CARROLL COLLEGE
HELENA, MONT 59601

DEAR DR. BOUFFARD

YOUR APPLICATION FOR AN ALLIED HEALTH PROFESSIONS SPECIAL IMPROVEMENT GRANT HAS BEEN REVIEWED. THE NATIONAL ADVISORY ALLIED HEALTH PROFESSIONS COUNCIL AND THE DIVISION OF ALLIED HEALTH MANPOWER HAVE RECOMMENDED EITHER APPROVAL OF ALL PROJECTS OR APPROVAL OF ONLY SPECIFIC PROJECTS WITHIN YOUR TOTAL INSTITUTIONAL APPLICATION.

CERTAIN OF THE APPROVED PROJECTS WILL BE FUNDED, AT A REDUCED LEVEL, AS DESCRIBED ON THE ENCLOSED NOTICE OF GRANT AWARDED. OTHER PROJECTS, DESPITE FAVORABLE CONSIDERATION, WERE NOT ACCORDED A RATING PRIORITY WHICH WILL PERMIT THEM TO BE FUNDED AT THIS TIME.

THE FOLLOWING PROJECT(S) HAVE BEEN APPROVED. AN IDENTIFICATION NUMBER FOR EACH PROJECT HAS BEEN ASSIGNED.

APPROVED AND FUNDED

NUMBER	TITLE
1 D01 AH50213-01	MEDICAL RECORD LIBRARIAN
1 D01 AH50214-01	MEDICAL TECHNOLOGIST
1 D01 AH50215-01	DENTAL HYGIENIST

PROJECTS NOT LISTED ABOVE WERE NOT RECOMMENDED FOR APPROVAL, AND ACCORDINGLY, THE DIVISION OF ALLIED HEALTH MANPOWER WILL BE UNABLE TO SUPPORT THEM.

APPROVED AND FUNDED PORTIONS OF YOUR APPLICATION WILL BE GOVERENED BY THE TERMS AND CONDITIONS SET FORTH FOR THE ALLIED HEALTH PROFESSIONS SPECIAL IMPROVEMENT GRANT PROGRAM AND RELATED POLICY STATEMENTS APPLICABLE TO TRAINING GRANTS.

REASONS FOR THE ACTION RECOMMENDED BY REVIEW GROUPS ON YOUR APPLICATION WILL BE PROVIDED UPON RECEIPT OF A WRITTEN REQUEST FROM THE DESIGNATED PROGRAM DIRECTOR OR AUTHORIZED OFFICIAL WHOSE NAME APPEARS ON THE APPLICATION FACE SHEET AS REPRESENTING THE INSTITUTION. SUCH REQUESTS SHOULD BE DIRECTED TO THE ALLIED HEALTH PROFESSIONS BRANCH, DIVISION OF ALLIED HEALTH MANPOWER, BUREAU OF HEALTH MANPOWER EDUCATION, NIH, BUILDING #31, ROOM 3C-02, 9000 ROCKVILLE PIKE, BETHESDA, MARYLAND 20014.

IN ALL FUTURE COMMUNICATIONS CONCERNING APPROVED PORTIONS OF YOUR APPLICATION, PLEASE REFERENCE THE ABOVE NUMBER(S). COMMUNICATIONS CONCERNING PORTIONS NOT APPROVED SHOULD BE REFFRENCED WITH SPECIAL IMPROVEMENT PROGRAM AND PROJECT TITLE.

SINCERELY YOURS,

W.S. Brooks

W. S. BROOKS, CHIEF
PROGRAM OPERATIONS BRANCH
DIVISION OF ALLIED HEALTH MANPOWER

CC: AUTHORIZED OFFICIAL
FINANCIAL OFFICER

Public Health Service

NOTICE OF GRANT AWARDED

Under Authority of Federal Statutes and Regulations, and Public Health Service Policy Statements applicable to

[ ] Research Grant [x] Training Grant

[ ]

Grant Number: 1 D01 AH50213-01 APC

TOTAL PROJECT PERIOD: From 07/01/72 Through 06/30/77

GRANT PERIOD: From 07/01/72 Through 06/30/77

Title of Project or Area of Training: ALLIED HEALTH SPE IMPROV - MEDICAL RECORD LIBRARIAN

Grantee Institution:
CARROLL COLLEGE
HELLENA, MONT 59601

Principal Investigator or Program Director:
BOUFFARD, SISTER ANNE M BS
CARROLL COLLEGE
HELENA, MONT 59601

APPROVED BUDGET

FOR BUDGET PERIOD 07/01/72 Through 06/30/73

Personnel	$ 37,855
Consultant Services*	1,000
Equipment*	18,541
Supplies	880
Travel—Domestic*	1,140
Travel—Foreign*	
Hospitalization*	
Outpatient Costs*	
Alterations and Renovations*	33,012 1/
Publication Costs*	
Other	
Trainee Stipends*	
Trainee Tuition and Fees*	
Trainee Travel*	
TOTAL DIRECT COSTS	$ 92,298

*Asterisks indicate limited or restricted budget categories

AWARD COMPUTATION

1 DIRECT COSTS	$ 92,298
2 INDIRECT COSTS (Calculated at 8% rate)	$ 5,543
3 TOTAL	$ 97,841
4 Less Unobligated Balance from Prior Budget Period(s)	$ 0
5 AMOUNT OF THIS AWARD	$ 97,841

SUPPORT RECOMMENDED FOR REMAINDER OF PROJECT PERIOD
(Subject to the Availability of Funds)

Budget Period	Total Direct Costs
02	37,409
03	32,041
04	33,261
05	35,045
06	NONE

Accountability for equipment [ ] conditionally waived [X] not waived

Remarks INDIRECT COST ALLOWANCES LIMITED TO 8% OF TOTAL ALLOWABLE DIRECT COSTS & SUBJECT TO DOWNWARD ADJUSTMENT IF ACTUAL RATE IS LESS.

1/ Alteration and Renovation expenditure restricted until drawings and details or cost for proposed changes have been received and approved.

Common Account Number	PHS Account No.	PHS List Number	PHS Transaction Number
2-8319562 FY 72	671678		01-0F0709

Payments on this grant will be made to:
COMPTROLLER
CARROLL COLLEGE
HELENA, MONT 59601

Recommending National Advisory Council or Committee

Signature of PHS Official: W S Brooks
W. S. BROOKS, CHIEF
PROGRAM OPERATIONS BRANCH
DIVISION OF ALLIED HEALTH
MANPOWER, BHEM, NIH

PHS-1533
REV. 11-69

DISTRIBUTION: [ ] Principal Investigator or Program Director [ ] Payee [ ] Public Relations O

NOTICE OF GRANT AWARDED

Under Authority of Federal Statutes and Regulations and Public Health Service Policy Statements applicable to:

Research Grant [X] Training Grant

Grant Number	1 D01 AH50214-01 SBL
TOTAL PROJECT PERIOD	From 07/01/72 Through 06/30/77
GRANT PERIOD	From 07/01/72 Through 06/30/77

Title of Project or Area of Training: ALLIED HEALTH SPE IMPROV - MEDICAL TECHNOLOGIST

Grantee Institution

CARROLL COLLEGE
HELENA, MONT 59601

Principal Investigator or Program Director

BOUFFARD, SISTER ANNE M DS
CARROLL COLLEGE
CAPITOL HILL
HELENA, MONT 59601

APPROVED BUDGET

FOR BUDGET PERIOD 07/01/72 Through 06/30/73

Personnel	$ 14,351
Consultant Services*	
Equipment*	7,200
Supplies	650
Travel – Domestic*	500
Travel – Foreign*	
Hospitalization*	
Outpatient Costs*	
Alterations and Renovations*	
...ation Costs*	
Trainee Stipends*	
Trainee Tuition and Fees*	
Trainee Travel*	
TOTAL DIRECT COSTS	$ 22,701

*Asterisks indicate limited or restricted budget categories

AWARD COMPUTATION

1 DIRECT COSTS	$ 22,701
2 INDIRECT COSTS (Calculated at 8% rate)	$ 1,816
3 TOTAL	$ 24,517
4 Less Unobligated Balance from Prior Budget Period(s)	$ 0
5 AMOUNT OF THIS AWARD	$ 24,517

SUPPORT RECOMMENDED FOR REMAINDER OF PROJECT PERIOD (Subject to the Availability of Funds)

Budget Period	Total Direct Costs
02	16,995
03	18,402
04	18,856
05	20,364
06	NONE

Accountability for equipment [ ] conditionally waived [X] not waived

Remarks: INDIRECT COST ALLOWANCES LIMITED TO 8% OF TOTAL ALLOWABLE DIRECT COSTS & SUBJECT TO DOWNWARD ADJUSTMENT IF ACTUAL RATE IS LESS.

Common Account Number	PHS Account No	PHS List Number	PHS Transaction Number
2-8319562 FY 72	671678		01-070710

Payments on this grant will be made to:

COMPTROLLER
CARROLL COLLEGE
HELENA, MONT 59601

Recommending National Advisory Council or Committee

Signature of PHS Official

W S Brooks

W. S. BROOKS, CHIEF
PROGRAM OPERATIONS BRANCH
DIVISION OF ALLIED HEALTH
MANPOWER, BHME, NIH

PHS 1533
REV 11-69

DISTRIBUTION [ ] Principal Investigator or Program Director [ ] Payee [ ] Public Relations Of

NOTICE OF GRANT AWARDED

Under Authority of Federal Statutes and Regulations and Public Health Service Policy Statements applicable to:

[ ] Research Grant [x] Training Grant

[ ]

Grant Number: 1 D01 AH50215-01 SDC

TOTAL PROJECT PERIOD From 07/01/72 Through 06/30/74

GRANT PERIOD From 07/01/72 Through 06/30/74

Title of Project or Area of Training: **ALLIED HEALTH SPE IMPROV - DENTAL HYGIENIST**

Grantee Institution:

CARROLL COLLEGE
HELENA, MONT 59601

Principal Investigator or Program Director:

BOUFFARD, SISTER ANNE M BS
CARROLL COLLEGE
CAPITOL HILL
HELENA, MONT 59601

APPROVED BUDGET

FOR BUDGET PERIOD 07/01/72 Through 06/30/73

Personnel	$ 25,877
Consultant Services*	865
Equipment*	
Supplies	2,000
Travel – Domestic*	500
Travel – Foreign*	
Hospitalization*	
Outpatient Costs*	
Alterations and Renovations*	9,500 1/
Publication Costs*	
Other	
...	
Trainee Stipends*	
Trainee Tuition and Fees*	
Trainee Travel*	
TOTAL DIRECT COSTS	$ 38,742

*Asterisks indicate limited or restricted budget categories

AWARD COMPUTATION

1 DIRECT COSTS	$ 38,742
2 INDIRECT COSTS (Calculated at 8% rate)	$ 2,339
3 TOTAL	$ 41,081
4 Less Unobligated Balance from Prior Budget Period(s)	$ 0
5 AMOUNT OF THIS AWARD	$ 41,081

SUPPORT RECOMMENDED FOR REMAINDER OF PROJECT PERIOD (Subject to the Availability of Funds)

Budget Period	Total Direct Costs
02	128,762 2/
03	NONE

Accountability for equipment [ ] conditionally waived [X] not waived

Remarks **INDIRECT COST ALLOWANCES LIMITED TO 8% OF TOTAL ALLOWABLE DIRECT COSTS & SUBJECT TO DOWNWARD ADJUSTMENT IF ACTUAL RATE IS LESS.**

1/ Alteration and Renovation expenditure restricted until drawings and details of cost for proposed changes have been received and approved.

2/ Equipment expenditure of $71,460 contingent upon approval of itemization and justification of equipment to be purchased.

Common Account Number	PHS Account No	PHS List Number	PHS Transaction Number
2-8319562 FY 72	671678		01-0F0711

Payments on this grant will be made to:

COMPTROLLER
CARROLL COLLEGE
HELENA, MONT 59601

Recommending National Advisory Council or Committee

Signature of PHS Official

W S Brooks

W. S. BROOKS, CHIEF
PROGRAM OPERATIONS BRANCH
DIVISION OF ALLIED HEALTH
MANPOWER, BHME, NIH

PHS 1533
REV 11 69

DISTRIBUTION [ ] Principal Investigator or Program Director [ ] Payee [ ] Public Relations O

Montana State University Bozeman, Montana 59715 Tel. 406-587-3121

Office of the President
Carl W. McIntosh, President
Wm. A. Johnstone, Vice Pres. for Administration

Roy E. Huffman, Vice Pres. for Research
I. E. Dayton, Vice Pres. for Academic Affairs

March 13, 1973

TO: Regents of the Montana University System

Dear Regents:

As you know from my earlier comments on February 14, 1973, I have expressed concern related to the scope of the assorted disasters overtaking Montana State University. Now that HB 55 is before the Legislature, it is possible to set forth the dollar dimensions of the program reductions presently faced.

Instruction, service and research programs which have been funded from other sources, while not a part of the Regents' Budget, are nonetheless a very real and significant part of Montana State University. In order that you may fully appreciate the present outlook, I am attaching a list setting forth the decrease in funding from various present sources, together with a short discussion of the significance of the impact of each loss.

Sincerely yours,

Carl W. McIntosh

Carl W. McIntosh
President

CWM:mk
Attachment

cc: Mr. Edward W. Nelson

DECREASE IN FUNDING at MONTANA STATE UNIVERSITY

I. Decrease in Federal funds based upon the President's proposed program budget (first year only):

A. Ongoing Montana State University Programs:

1.	Bankhead-Jones Funds	$157,000
2.	Nursing Capitation Grant	$117,000
3.	Psychiatric Nursing Grant	$ 25,432
4.	Administration of Community Services Program (Title I)	$ 22,200
5.	Financial Aid Office Income, approximately	$ 75,000

DISCUSSION:

The loss of the Bankhead-Jones Funds is equivalent to a direct budget cut in the amount of $157,000. The Regents' Budget and, as currently drafted, HB 55 assumes the availability of these funds, and to that extent, HB 55 contains spending authority based upon the assumption of funds which will probably not be available. The total of the Nursing Capitation Grant and Psychiatric Nursing Grant does not reflect the entire loss of support which must be replaced to support the instructional commitments of the expanded nursing program. Dr. Laura Walker, Director of the School of Nursing, has advised me that the net impact on the instructional program is approximately $160,000 (copy of Dr. Walker's memo is attached).

The Federal contribution for the administration of the Title I Program, while not needed to administer a Title I Program which will presumably no longer exist, means that at least one of two faculty members who have been involved in this program must be shifted back to one of the other institutional budgets. Our present estimate of the impact of this represents an additional burden on other budgets of approximately $10,000.

The Financial Aid Office has not been supported by funds from the Regents' Budget. Approximately $96,000 has been available from the Federal allowances provided for the administration of the National Defense Loan Program, the Work-Study Program, the EOG Program, and other programs administered by this office. Under Federal programs presently recommended, we anticipate a decrease of approximately $75,000 (conceivably somewhat less) under proposed new Federal programs.

There is a bill before Congress which, if passed, would allow 1% for administration of the proposed Federally insured loan program; however, whether this will be passed by Congress, and, if passed, approved or funded by the administration, is unknown and unlikely. The University must also accept the added responsibility of loan evaluations in the future, which means each student application which could formerly be processed in 10 minutes (since the bank granting the loan undertook the evaluation) will now require from 30 minutes to an hour's time to process. Although it is conceivable that by September, Federal funds could be forthcoming, it is equally possible that they will not. Thus, this represents a loss of support to programs which must be maintained.

B. Other Ongoing Programs:

1. Hatch Act (Agricultural Experiment Station) $185,798

2. Smith-Lever (Cooperative Extension Service) $ 24,254

DISCUSSION:

The actual loss of the Hatch Act funds appears to be $172,410. The reason this is listed above as $185,798 is that the University anticipated a slight increase in Hatch Act appropriations and included this anticipated increase in the estimates of revenue provided to the Department of Administration. Hence, the net impact on the Agricultural Experiment Station is a loss of $185,798. There is, however, in HB 55 a contingent appropriation of $172,410 intended to offset this loss unless the Congress restores it; the only confusion being the language used to describe this contingency appropriation, which must be changed to fit the intended purpose.

The loss of the Smith-Lever money for the Cooperative Extension Service, while not as large an amount, is nonetheless a loss, since the present version of HB 55 did not change from the original funding proposed prior to the time this potential loss of revenue occurred.

C. Self-Contained Programs:

1. Continuing Education for Nurses $ 48,496

2. Family Nurse Practitioner Project $143,400

3. Community Service Program Projects MSU $ 40,000

DISCUSSION:

According to recent information, the Continuing Education Program for Nurses will be dropped at a date still unknown. The Family Nurse Practitioner Project may be completed and the Community Service Program will be discontinued. The loss of these programs is unfortunate, but they are relatively self-contained and do not affect the basic bachelor's degree instructional program.

II. Anticipated decreases in Federal and/or State funds provided by other agencies presently supporting instructional service or research programs:

1. Social Justice Program (previously referred to as Criminal Justice) $ 30,000 - $ 35,000

2. Weather Modification Research $200,000 - $225,000

3. Environmental Health Engineering Program $ 27,192

4. Environmental Health Engineering Program - Stipends $ 28,296

DISCUSSION:

The Criminal Justice Program enrolls approximately 150 students. This has been supported for the past three years by the Governor's Crime Control Commission with Federal funds. The University's grant application dated May 5, 1970, reads, with respect to the University's commitment:

> "The first three years or so of the Police Science and Corrections degree program will have to be funded by grants - until it has proved itself in terms of enrollment and demand to the University administration - whereupon the administration must pick up the major share of funding salaries and the program generally except where continuing federal support may be indicated and possible."

Although I was not President of Montana State University at the time this commitment was made, I would certainly have approved the application and would have been willing to make the same commitment. At that time, the University had experienced growth budgets, and based upon past experience the commitment would have appeared to be no more than 1% of the anticipated increase in budget for the three year period. (If the increases prior to 1970 are extrapolated, the present level of University funding is between 3-4 million dollars less than might have reasonably been assumed in May of 1970.) The loss of this program will be a substantial misfortune and efforts are being made to secure funds for it.

- - - - - - - -

The Weather Modification Program is of considerable interest to farmers and ranchers in the Northcentral and Eastern part of Montana, and perhaps other areas as well. These areas, however, represent the ones from which I have had letters expressing interest in the program. Practically the entire meteorological group at Montana State University is supported by Federal funds available for weather research, and at this time this program faces a shutdown on 1 July 1973. This will mean the loss of what is probably one of the best research teams in the nation unless a new program grant is secured.

- - - - - - - -

The Environmental Health Engineering Program was started only recently; it is just getting underway and is having funding trouble. Its loss would be a loss for the entire country. That personnel involved in this program will be critically needed in the days ahead seems too obvious to require elaboration.

In addition to the fiscal problems listed above, the current level of anticipated State support presents certain difficulties:

III. Anticipated decreases in State support -

1. Based upon assumptions previously set forth and considering necessary salary adjustments as a "fixed cost," we must reduce the number of positions in academic and classified areas to equal a savings of approximately $370,000.

DISCUSSION:

Montana State University could not grant salary increases during the last biennium as great as the modest adjustments granted by the other Units in the System. We have, therefore, a backlog of delayed considerations and cannot freeze salaries for two years, hence the substantial number of positions which must be cut from the budget as presently proposed.

2. HB 55 as presently written appropriates $285,000 less from the general fund than recommended in the Regents' December 1 budget. The Regents' December 1 budget contains a footnote indicating the necessity for including the $200,000 of direct cost in both income and expenditures; hence, of the $285,000 reduction in general fund appropriation in HB 55, $200,000 should be restored, simply as a matter of consistency of bookkeeping. The proposed increase in student fees contained in HB 55 is reasonable if budgets and program cuts and financial aid patterns do not reduce the University's enrollment.

RECOMMENDATIONS:

I strongly urge the following action by the Regents:

1. Support for the amendment of HB 55 to provide, as a minimum, a general fund appropriation which would increase the recommended general fund appropriations by at least $200,000.

2. Support for a contingency appropriation as follows:

If Bankhead-Jones funds not forthcoming	$157,000
If Federal support for instructional nursing not forthcoming	$160,000
If Federal support for Social Justice Program not forthcoming	$ 35,000
If sufficient Federal support is not provided to operate the Financial Aid Office	$ 75,000
Total:	$427,000

In addition, if you believe any of the other programs presently supported from Federal funds should be retained, then contingency appropriations should be made for such programs.

I believe consideration should be given to a contingency appropriation of $50,000 to provide an additional six months of funding for the scientists currently involved in the Weather Modification Program. I do not believe the State of Montana can afford to fund this program; it is properly a national responsibility, but time is growing short. Those presently attempting to secure support for a new research grant are in

a very difficult position. I would suggest a $50,000 contingency appropriation to extend the time we might retain them from 1 July 1973 to 1 January 1974. If, at that time, the work is not funded, we have no choice but to discontinue the efforts to retain this research team.

It would also be highly desirable to obtain a contingency appropriation of at least $25,000 to provide for the continuation of this program.

ATTACHMENTS:

School of Nursing Summary
Social Justice Studies Summary

Montana State University
Bozeman, Montana 59715 Tel. 406-587-3121
The School of Nursing

March 9, 1973

FACTS RELEVANT TO COST OF NURSING EDUCATION AT MONTANA STATE UNIVERSITY

1. Increased enrollment

Autumn 1969-1970	460
Autumn 1972-1973	721
Autumn 1974-1975	???

Since total enrollment at the University has not increased the additional students in nursing do not place a strain on the University resources at the Bozeman Campus. They take general education courses (Bacteriology, Chemistry, Anatomy and Physiology, English, Sociology, etc.) with other students in other departments at freshman and sophomore levels. They have increased the load for nursing instructors teaching beginning-level courses and working with student advisement.

2. Nursing education is a high-cost program

When the students leave the Bozeman Campus and enter courses in the hospitals (Billings Deaconess, St. Vincent's, Montana Deaconess, St. James Community, Silver Bow General, Warm Springs State Hospital and Health Departments over the State). Agreements exist for the use of hospital nursing service departments as laboratories for nursing education. This produces a unique situation in that patients who are paying for nursing service and medical care provide learning experiences for student nurses. The student nurse is assigned to the real-life setting and learns her profession through caring for people who are receiving

hospital or nursing home care. The only way to ensure patient safety while providing a challenging and valid learning experience to the student is to ensure adequate supervision by the nursing instructors. The agreements with the hospitals where instructors and students are assigned requires a faculty-student ratio of 1:8. Since these are private hospitals most patients are in private or semi-private rooms. This fact means that the faculty spend much time in a one-to-one relationship with students at sophomore and junior levels. The patients as a rule are quite willing to be cared for by a student nurse. However, the responsibility for quality of care and for protection of the patient remains the responsibility of the licensed nurses -- faculty and hospital staff -- and the hospital administrators who are liable for employing competent staff to provide required and necessary patient care services.

Therefore, complete cooperation, communication and unity of purpose must be maintained by the faculty assigned to the hospital with the nursing personnel employed by the hospital. The development, maintenance, and enhancement of this relationship takes time and energy and in this setting is a part of the instructional function of nursing faculty.

3. Need for nurses prepared at the baccalaureate level

The increasing and urgent need for nurses to work in health care services is a higly visible problem of our time. As we continue to prolong life we increase the numbers of aging and infirm people who need nursing care. Advances in medicine and intensive care practices in hospitals demand

the services of nurses who are knowledgeable as to practice required, responsible in action to patients and families and committed to the patient's welfare. At the beginning of life more premature infants are saved, and in the early years of life more handicapped children are being restored to health. These, too, require nursing care. In addition, there is need for nurses to teach, to direct, to lead and to supervise nursing personnel prepared at a lesser level so as to provide quality care to patients at a cost that is commensurate with economic resources of our people.

It is possible in many instances to prevent disease and disability, or to prevent handicaps and disabilities from becoming worse, and often more economical to provide home care for some conditions. Today certain services of nurses are being offered outside hospitals and nursing homes. Student nurses are involved in learning these skills in their junior and senior years. Since the patients who receive services are under the care of private physicians, the faculty, students and physicians work together to provide the best services available through coordination of delivery of care. Here again the learning process for the student requires a large body of knowledge, close supervision by faculty and direction by the physician.

4. During the past ten to fifteen years these facts have been recognized by the Federal Government and financial support has been provided for nursing education. This year, 1972-1973,

about 40% of the costs of instruction of nursing students has been supported by special grants through federal programs. Now we are told that these funds will be withdrawn as of June 30, 1973. (This amounts to about $160,000). Since there was no reason previous to January 15 to suspect that federal support would not be available the University faces a crisis in the area of budget to support nursing education.

The increased numbers of students demand that the School obtain additional clinical nursing education facilities. To meet this problem a new Unit has been established in Butte and the program in Billings has expanded to use the nursing facilities at St. Vincent's Hospital. These expansions were made with anticipation of continued federal funds and an approved grant developed to establish the program the first two years. The plans included the expectation that University funds would continue to support these students as are other students enrolled in the University.

The need for nurses has not changed. (Over 50% of our graduates are employed in nursing in Montana one year following graduation). The health problems are no less -- are in fact increasing. The students enrolled in the program and those seeking admission are committed to service in nursing as a life work. (There are 40 men enrolled in the current program). The cost of the program is higher per student than are some other programs due to the nature of the profession and the laboratory required.

The question then remains -- how to meet the crisis precipitated by the withdrawal of federal funds?

c:c: President McIntosh
Dr. Dayton
William Johnstone
Dean Rose'

SOCIAL JUSTICE STUDIES

at

MONTANA STATE UNIVERSITY

The Social Justice majors enrollment currently stands at 154 students, both pre-service and "in-service" type students. This program is designed to meet manpower needs now and in the future in both law enforcement and corrections and probation services for the State of Montana. With the population projections for urban centers in Montana for the end of the decade being what they are e.g., both Billings and Great Falls to be over 100,000 each, Bozeman to double to 55,000, etc., the demands for law enforcement and corrections services are certain to more than double.

The program functions in a complimentary fashion with the Law Enforcement Academy at this institution, each drawing on the other's services. And the supervised field placement in the various law enforcement and corrections agencies in the state to train enrollees and serve those agencies is an added manpower thrust in meeting the states needs and the students occupational aspirations in these areas. The staff also teaches continuing education courses in police science to agency staff in Billings and Butte each quarter.

SOCIAL JUSTICE STUDIES

MONTANA STATE UNIVERSITY

The Social Justice option program (Police Science and Corrections) within the Department of Sociology at Montana State University can be considered to have begun March 1, 1970 with the hiring of Wayne Hanewicz as the first police science specialist on the staff. The initial Title I HEW 65 proposal for training law enforcement officers was submitted October 28, 1969 and granted January 26, 1970 (SA-7062), Federal funds $2,852, Matching Funds $12,435, and Total $15,287.

Succeeding grants to fund the program were made by the Governor's Crime Control Commission for a period of three years for each year beginning

July 1, 1970 in the amount of	$31,000
July 1, 1971 in the amount of	$35,000
July 1, 1972 in the amount of	$22,148*

*with a $12,000 carry over of unused money from the 1971 grant.

The first grant application, dated May 5, 1970 reads, with respect to the University's commitment (part 3, page 2, II Methods):

> "The first three years or so of the Police Science and Corrections degree program will have to be funded by grants - until it has proved itself in terms of enrollment and demand to the University administration - where upon the administration must pick up the major share of funding salaries and the program generally except where continuing federal support may be indicated and possible."

The program arose from several demand sources. Both students in Sociology and law enforcement and corrections personnel in the state indicated a desire for such professionalization. Letters and brochures from the Justice Department and Senate offices in Washington described such need and possible funding under the Omnibus Crime legislation. The MLEA staff and FBI specialists approached the department head in behalf of such an effort, indicated a possible fruitful interface between such a program and the Law Enforcement Academy on this campus to serve the state's manpower needs and finally, discussions with members of the Governor's Crime Control Commission indicated interest and encouragement that such a program would serve the state's law enforcement and corrections needs.

After three years in effect, March 1, 1970 - March 1, 1973, enrollment stands at:

Freshmen	58
Sophomores	50
Juniors	28
Seniors	18
TOTAL	154

The faculty currently involved are:

1. Robert Harvie, Assistant Professor
   (Law Degree and MS in Police Administration)
2. William Nelson, Instructor, Police Science
3. W. W. Lessley, Lecturer, Criminal Law
4. David Fabianic, Assistant Professor
   (PhD in Criminology and Corrections)

The cost of the program is itemized on the attached table for this and the next two proposed years of funding levels.

There was a 25 per cent matching funding arrangement not shown - including part of the department chairman's and Dr. Fabianic's salary along with office, secretarial and supplies.

The cost per student figured for the University's pick-up of Federal funding comes to less than $230 per year per student.

FACT SHEET

Social Justice Studies
Montana State University

March 7, 1973

PROPOSED BUDGET:		1972-1973		1973-1974		1974-75
Assistant Professor	10 mo. AY	$12,000	2 mo. SU	$ 2,700	2 mo. SU	$ 2,774
			10 mo. AY	12,480	10 mo. AY	12,980
Instructor	2 mo. SU	2,129				
	10.mo. AY	10,155	10 mo. AY	10,562	10 mo. AY	10,987
Lecturer	10 mo. AY	1,431	10 mo. AY	1,491	10 mo. AY	1,551
		$25,715		$27,233		$28,292
Benefits	13%	3,345	14%	3,815	14%	3,965
Total Salary & Benefits:		$29,060		$31,048		$32,257
TRAVEL:						
In-state		$ 500		$ 1,000		$ 1,000
Out-of-state		1,060		800		800
MAIL, ETC.:		100		100		100
PHONE:		200		100		100
BOOKS:		900				
GRAND TOTAL:		$31,820		$33,048		$34,257

There is also the director of the program who is an assistant professor on the Sociology Department staff. He is a Criminologist and contributes to the core courses in Social Justice Studies.

HIGHWAYS

EFFECT ON THE STATE OF MONTANA FROM THE WITHHOLDING OF FEDERAL HIGHWAY FUNDS

March 8, 1973

Under the Federal-aid highway financing procedure, Congress authorized specifies amounts of Federal-aid highway funds for certain programs throughout the Nation. The Federal Highway Administration then apportions these funds among the states in accordance with statutory formulas. When once apportioned to the states, the money cannot be withdrawn unless the states fail to obligate the money within a specified period, which normally extends for two years beyond the year for which the funds were originally apportioned.

A few years ago, the Federal Highway Administration established a new financing procedure known as Federal Obligation Authority Control. This procedure was originally established to make sure that the states did not obligate the Federal funds faster than the funds accumulated in the Federal Highway Trust Fund. This was accomplished by allowing the states to obligate their apportioned funds according to a quarterly schedule. As the years passed, the obligation authority procedure became subject to manipulation for various reasons, and the states could no longer plan their highway programs with the assurance that they would be granted authority to obligate all Federal funds apportioned to them.

The effect of the withholding procedure on this state is shown in the following table:

iscal ear	Carryover of Funds July 1---	Plus: New Apportionment	Total Funds Available	Less: Allowable Obligations	Funds Withheld
1971	$ 511	$93,016,550	$93,017,061	$71,974,675	$21,042,386
1972	21,042,386	64,651,350	85,693,736	53,633,096	32,060,640
1973	32,060,640	64,579,903	96,640,543	46,258,000	50,382,543

It may be noted that the Federal funds withheld have increased steadily during these years and that the point was reached in this fiscal year where the withheld funds exceeded the amount we are allowed to obligate.

The inconsistent manner in which the Federal obligation authority is divided among the states is shown by the following figures taken from Federal Highway Administration reports:

(continued on page 2)

State	Obligation Authority For F.Y. 1973 Total for F.Y.	Unused 10-31-72	Unobligated Apportionments
Arkansas	$28,179,000	$17,725,446	$12,121,828
California	322,153,000	237,863,490	138,121,058
Florida	108,355,000	79,206,815	72,586,974
Kentucky	58,571,000	57,199,312	26,861,312
Michigan	154,739,000	111,096,275	105,871,455
Missouri	89,471,000	66,308,820	57,629,268
Montana	46,258,000	21,984,754	70,566,297
Tennessee	57,603,000	46,184,525	41,553,757
Texas	189,992,000	130,294,624	79,878,918
Virginia	99,148,000	94,514,974	10,871,830

All of these states (except Montana) have unused obligation authority which exceeds the total amount of apportioned funds remaining for that state. This means that such states cannot use the excess obligation authority until such time as a new Federal Aid Highway Act is passed and new funds will be apportioned to the states. By contrast, Montana had $70,566,297 in outstanding apportioned funds as of October 31, 1972, but we can obligate only $21,984,754 of these funds because of the Federal withholding procedures in effect.

This withholding of Federal funds has had the following detrimental effects on the State of Montana:

1. Construction contract awards have dropped from $79,000,000 in F.Y. 1971 to $50,000,000 in F.Y. 1972 and about $40,000,000 in F.Y. 1973 under the restricted obligation authority controls.

2. If the $50,000,000 in withheld Federal funds were applied to new construction contracts, 400,000 man days of work or 1500 full-time jobs, would be created.

3. Since the $50,000,000 in extra expenditures would be turned over 4 or 5 times, the overall effect on the economy of the state could amount to $200,000,000 or $250,000,000.

4. The practice of withholding Federal funds makes it impossible for the State to prepare any dependable long-range plans for highway improvement or to schedule the necessary preliminary engineering and right-of-way activities which must precede the construction projects. It is also impossible to prepare reliable estimates of the amount of State funds required to match the Federal funds unless a firm figure is available for the Federal funds.

5. The inability to schedule activities also extends to the construction contractors, equipment dealers and the material suppliers.

PRISON REHABILITATION

HOW IMPOUNDMENT OF FUNDS AND FEDERAL PROGRAM ELIMINATION AFFECT PRISON REHABILITATION

1. An eighteen per cent (18%) cutback in the Manpower Development Training Act (MDTA) statewide funds seriously affects the prison's availability of training funds, allowances, and training incentive payments administered by the Employment Security Commission (ESC) and the Office of the Superintendent of Public Instruction.

2. The cutback of funds for the Concentrated Employment Programs (CEP) in Butte and Helena affects outside resources utilized by the prison inmates.

3. The elimination of Title II funds will affect the prison library program.

4. The cutback in Rehabilitative Services Division funds is felt in that monies for correspondence courses for allowances and subsistence are reduced with costly increases in recidivism.

5. The elimination of the Office of Economic Opportunity is detrimental in that it will affect the focal work point for Vista Volunteers that work in prison endeavors. It will further affect prison inmates because of the a cutback in CEP funds -- an OEO joint venture with the ESC.

6. Cutback in ESC Administrative funds has already cost the prison two positions: an employment service job placement man and an on-site vocational counselor.

7. Cutback in Vocational Rehabilitation funds have cost the prison another position -- that of a professional vocational rehabilitation counselor.

8. As a result of reduced federal funds, in the near future, the prison will lose the services of its Indian counselor.

(Submitted by Harry Erickson, MDTA.)

AGRICULTURE

POTENTIAL IMPACT ON MONTANA

RESULTING FROM

NATIONAL ADMINISTRATION ACTION

TERMINATING RURAL DEVELOPMENT PROGRAMS

Preliminary Statement

Prepared by

Montana Department of Agriculture

The information contained in the report sets forth the potential impact upon the economic, environment, and social sectors of Montana resulting from recent national administrative actions affecting; the Rural Environmental Assistance Program, the Wheat and Feed Grain Reseal Program, the Grain Storage and Drying Equipment Loan Program, the Farmers Home Administration Disaster Loan Program, and 2% Rural Electrification Administration Loan Program.

THE R.E.A.P. PROGRAM

The following as quoted from the "Montana, 1971 Annual Report, U.S.D.A., A.S.C.S., page 3 provides an excellent introduction to this program and insight to the problems resulting from its termination: "REAP is the principal channel through which the Federal Government, in the national interest and for the public good, shares with farmers and ranchers the cost of carrying out approved soil, water, woodland, and wildlife conservation and pollution abatement practices on their land that are directed to:

1. Help maintain the productive capacity of American agriculture.

2. Help assure the nation's growing population an increased supply of clean water, reduced air pollution, an enhanced natural beauty, more opportunities for the enjoyment of outdoor recreation, improvements in the quality of the environment, and better ecological balance.

Montana farmers and other rural residents have utilized Reap funds, together with their own funds, at an average level

over the past five years of $4,086,566 per year with the 1972 total being $5,010,000 (Table 1).

The 1971 Reap practices summary (Table 2) indicates rural Montanans utilized a total of $3,459,524 of Federal cost sharing funds. Irrigation improvement projects designed to more efficiently use our water resource accounted for $1,405,343; Rangeland conservation $1,193,517; Cropland conservation $703,485 with a total of over 2 1/2 million acres being effected by these conservation projects.

Two additional conservation categories which have gained interest in the past several years are wildlife conservation and animal waste control projects. Wildlife habitat improvement projects which contribute toward the enhancement of the environment amounted to $31,719. A new program initiated in 1971, animal waste control, is geared to assist in water pollution abatement and some twenty five (25) such projects were implemented in the first year with a cost share value of $37,661. This program is of special importance in assisting our growing livestock feeding industry in complying with Department of Health Animal Feeding Operation Pollution Regulations.

The interest and broad application of this program is supported by the fact a significant portion of the State's farmers have participated in these programs. During the past five years 20,705 farms have participated at least once, which represents 80% of all Montana farms and ranches.

TABLE 1.

MONTANA REAP PROGRAM SUMMARY, 1968 - 1972

Year		Participating Farms	Federal Share
1968	(A.C.P.)	11,180	$ 4,009,810
1969	(A.C.P.)	8,268	3,906,995
1970	(A.C.P.)	9,095	4,021,883
1971		7,919	3,484,146
1972		N.A.[1]	5,010,000

[1] Not Available

Source: Annual Reports, U.S.D.A., A.S.C.S.

Compiled by Montana Department of Agriculture

TABLE 2.

MONTANA R.E.A.P. PRACTICES SUMMARY, 1971

Practice	Units	No. Units	Federal Cost Shares[1]	No. Farms
Irrigation Improvement	Acres Served	225,351	$1,405,343	2,210
Range Conservation-Improvement	Acres Served	2,212,822	1,193,517	3,092
Crop Land Conservation	Acres	124,540	703,485	2,247
Animal Waste Pollution Control	A.U. Served	6,409	37,661	25
Wildlife Conservation	Acres Served	10,930	31,719	61
Other Programs[2]		92,635	87,799	284
TOTALS			3,459,524	7,919

1. Excludes small cost share increases.
2. County conservation practices, new conservation problems, beautification, sediment retention dams, woodland residue disposal, solid waste disposal.

Source: Annual Report, 1971, U.S.D.A., A.S.C.S.
Compiled by Montana Department of Agriculture

The full impact resulting from termination of the Reap Program is impossible to predict precisely. However, the following estimates are valid conclusions:

Economic Impact:

1. $3,484,146 direct annual loss to States rural economy.

2. Applying minimum economic multiplier of 1.75 $6,097,255 economic activity loss to State's total economy.

3. $2,787,000 reduction in income earned, adversely affecting jobs in both private and public sector.

4. Immeasurable economic loss resulting from reduced crop and livestock production.

Environmental Impact:

1. Conservation practices as described above reduced by perhaps 80 to 85% in the future.

2. Increased cropland erosion resulting from lack of permanent vegetative cover, windbreaks, and strip cropping design.

3. Less effective rangeland utilization from lack of weed control, stock water development for grazing dispersion, reseeding and fire guards.

4. Reduced efficiency of water resource management resulting in reduced results of detering, irrigation water waste, erosion, streambank deterioration, siltation, and pollution.

5. Reduction in wildlife food plots, ponds, and habitat conservation.

6. Reduction of efforts relating to animal and solid waste control for pollution abatement.

Social Impact:

As stated above, the goals of the Reap Program are to provide Federal assistance to rural individuals for

carrying out conservation projects to maintain the productivity of agriculture and improve the environment in the national interest and for the public good.

Termination of the Reap program terminates the opportunity to achieve these goals and benefits for society.

WATER BANK PROGRAM

The Water Bank Program was implemented on a pilot basis in 1972 with preservation of our wetlands being its primary purpose.

Six Montana counties participated in the program which resulted in 5,297 acres of waterfowl habitat and nesting areas being conserved. A total of 48, ten-year contracts were signed yielding $49,976 annually to the rural economy. Reflecting the ten-year contract duration this program represents an economic input of nearly $500,000 to Montana's economy.

The economic and environmental impact resulting from expanded participation in the Water Bank Program would certainly increase if the program would have been allowed to continue. Pragmatic economics make it difficult for land owners to retain wetlands, which are agrinomically non-productive, for "social benefit" without this program of off-setting opportunity costs.

Termination of the Water Bank Program, beyond direct economic losses, has halted the potential wildlife and environmental benefits which accrue to society from this type of project.

DISASTER LOAN PROGRAM

During times of natural disaster, a disaster loan program, administered by the United States Department of Agriculture, Farmers Home Administration, has been made available to applicants who have suffered financial hardship. Loans are made at reduced interest rates and on an expedited basis to assist the applicants in their economic recovery.

Termination of this program causes additional economic hardship at a time when the citizen victims are in most need of financing assistance. The loss of this alternative credit line may well prohibit economic recovery and result in the demise of economic farm units which, except for natural disaster results, are a viable factor in our economy and society.

In the five years, 1969-1973, twenty-four Montana applicants borrowed $468,370 under this program (Table 3). While this total may not appear significantly large, it must be remembered there was no significant disaster during these years.

Disaster loan programs are inherently high risk loans, although in this program 94% of the principal borrowed by Montana has been repaid, an outstanding record.

TABLE 3.

MONTANA DISASTER LOAN PROGRAM SUMMARY

Year	Number of Loans	Amounts
1969	7	$ 30,210
1970	6	60,000
1971	2	71,660
1972	8	267,000
1973	1	39,500
TOTAL	24	468,370

Source: Farmers Home Administration
Compiled by Montana Department of Agriculture

FARM STORAGE LOAN PROGRAM

This program administered by the Agricultural Stabilization and Conservation Service (ASCS), has served Montana well. Under this program from 1949 through 1971, a total of 10,362 storage structure loans were made in Montana. These provided on the farm storage capacity of 76,445,258 bushels of grain. The total loan funds involved for this period are $18,234,870.

Listed in Table 4 is a summary of loan activity for the period 1968 through 1971. The Table gives total numbers of loans made, capacity and total loan funds involved each year. The interest rates charged on these loans have ranged from 3 1/2% in the early years, up to 7 1/2% in 1970, to 5.52% as of March 30, 1972.

The termination of this program will remove an economic incentive which has resulted in the farm interests developing the necessary storage so as to effectively participate in orderly marketing which benefits both producers and consumers.

WHEAT AND FEED GRAIN RESEAL PROGRAM

The reseal program has been utilized by Montana farmers to achieve orderly marketing and stabilized income received from grain enterprizes. One provision of this program provided payment to farmers for storing grain under loan to the U. S. Government, in farmer owned facilities.

TABLE 4.

MONTANA FARM STORAGE STRUCTURE LOAN PROGRAM

Year	Number of Loans	Bushel Capacity	Amount of Loans
1968	1,648	12,778,156	$ 3,463,665
1969	1,042	10,429,536	2,638,794
1970	368	3,023,551	739,612
1971	545	4,376,726	1,252,635
From Inception of Program 1949 - 1971	10,362	76,445,258	18,234,870

Source: Annual Report, U.S.D.A., A.S.C.S.
Compiled by Montana Department of Agriculture

The earning from this storage program provides added revenue to the State's economy. Table 5 shows a potential annual earnings to our participating farmers of $4,766,606.

The likely net result of terminating this project will be shifting grain storage of the farms into concentrated positions stored in commercial facilities.

RURAL ELECTRIFICATION 2% - 35 YEAR PROGRAM

The first R.E.A. loan in the State was approved in May, 1936 with the first R.E.A.-financed line energized December 5, 1937, by the Lower Yellowstone Rural Electric Association, Sidney. As of January, 1973 R.E.A. had advanced $91,982,600 to borrowers, all cooperatives, in this State. The funds have been invested by the borrowers in local electric facilities. At the beginning of 1971 borrowers had energized 35,222 miles of line serving 56,464 farm and other rural consumers. Of the 26,300 farms in the State, 97 percent are receiving electric service compared with only 2,768 farms, or 5.5 percent when R.E.A. was created in 1935.

Alteration of the 2 percent loan program which raises the interest rates to be paid by such cooperatives from 2 to 5.75% may destroy the economic feasibility of such consumer-owned systems.

It is apparent from Table 6 that those rural electric systems recognized by R.E.A. as having the greatest need for low cost capitol (line 1) will bear the largest increase under the new program. The amount of additional annual interest expense for

TABLE 5.

MONTANA C.C.C. GRAIN RESEAL PROGRAM SUMMARY

Potential Earnings from On-Farm Reseal Grain Storage
(based on bushels subject to reseal as of November 30, 1972)

Crop Year	Commodity	Bushels Stored	Storage Payment	Annual Potential Earnings
1971	Wheat	13,993,002	.1460 per bu.	$ 2,042,978
	Barley	1,309,457	.1460	191,188
	Oats	64,265	.11315	7,271
1970	Wheat	4,561,919	.12045	549,483
	Barley	236,467	.12045	28,482
	Oats	2,163,690	.0876	189,539
1969	Wheat	6,032,968	.12045	726,670
	Barley	305,426	.12045	36,788
	Oats	1,194,364	.0876	104,626
1968	Wheat	7,122,177	.12045	857,866
	Barley	230,130	.12045	27,719
	Oats	45,626	.0876	3,996
				4,766,606

Source: Annual Reports, U.S.D.A., A.S.C.S.
Compiled by Montana Department of Agriculture.

BLE 6.

R.E.A. LOAN PROGRAM SUMMARY

ior REA-CFC ended Interest tes	New REA-CFC Blended Interest Rates	Annual Additional Interest ($million loan)	Montana Annual Additional Interest ($80 million)	Total Additional ($million loan, 35 year period)	Montana Total Additional ($80 million 35 year period)
00% (0% CFC)	5.00%	$30,000	$2,400,000	$737,433	$58,994,680
55% (10% CFC)	5.25%	27,000	2,160,000	678,850	54,308,000
10% (20% CFC)	5.50%	24,000	1,920,000	615,384	49,230,720
65% (30% CFC)	5.75%	21,000	1,680,000	562,827	45,026,160

ine 1, statistics on this line relate to systems having greatest need for low interest rates as recognized by R.E.A. Administration, U.S.D.A.

urce: Rural Electrification Administration, U.S.D.A.
Compiled by Montana Department of Agriculture

each one million dollars in loan funds will range from $30,000 to $21,000. The financial burden of this new program will be particularly harsh on these weaker systems, who are not being offered any relief whatsoever.

It is estimated that Montana R.E.A. systems will require $80 million dollars over the next 15 years. The net effect of the new program will cost rural Montanans from $1,680,000 to $2,400,000 more peryear to pay for higher interest costs on the projected loan needs. Total additional interest costs will be from $45,026,160 to $58,994,640.

The impact on co-op's margins will be devastating. For weaker co-ops, it may well mean incurring deficits. For most systems, a rate increase will be required. The principal of low-cost energy to all rural areas, upon which rural electrics have operated for more than 35 years, will be violated.

Rural electric systems require $1,177 in plant to serve each consumer-member. By increasing the co-ops cost of capital by as much as 150% in one fell swoop, their continued existence is threatened. As a result, the avilability of low cost energy to America's rural areas is at stake. Farmers, the Nation's most productive businessmen, rely on electricity to operate. Industries, offering employment opportunities to rural residents, will not remain or locate in areas void of energy at competitive rates.

Rural electric systems have only one-fifteenth of the revenue per mile of line and barely one-tenth of the consumers per mile of line of those of investor-owned electric utilities. The termination of the REA 2% loan program will diminish the co-ops' ability to overcome these financial obstacles (Table 7).

MONTANA

No. of REA loans announced, calendar 1972	: 12
Total of REA loans announced, calendar 1972	: $3,181,000
No. of borrowers qualified for 100% REA financing at 2%	: 6.
No. of 10/1/72 applications pending 12/31/72	: none
No. of consumers per mile of line, REA borrowers	: 1.6
No. of consumers per mile of line, power companies	: 16.9
Amount of revenue per mile of line, REA borrowers	: $357
Amount of revenue per mile of line, power companies	: $4,986

U. S.

Appropriated by Congress for rural electrification loans during FY 1973	$595,000,000
Administration Budget was	438,000,000
Loans approved by REA during FY 1973 before cutoff of 2% loan program (282 loans)	228,000,000
Amount appropriated by Congress and remaining unused at cutoff	337,000,000
Applications for loans on hand at REA at cutoff (159 applications)	467,633,000
No. of borrowers wholly dependent upon REA 2% financing (not eligible for supplemental loans)	88
Loan authorization under the Rural Development Act (insured loans at 5%)	618,000,000
Balance available under the Rural Development Act, insured loans at 5% (618,000,000 less $228,000,000)	390,000,000

MONTANA R.E.A.P. RANGE and LIVESTOCK PRACTICES SUMMARY

Practice	Federal Share[1] 1968	1969	1970	1971
Reseeding, fireguards & deferred grazing on rangeland	$226,500	$183,120	$171,285	$284,983
Control of competitive shrubs on range or pasture	55,788	41,326	43,213	33,761
Tillage operations on range or pasture	4,867	4,683	3,090	5,486
Livestock water wells	91,002	151,559	173,170	164,753
Livestock water springs	50,152	65,788	76,940	113,732
Livestock water ponds	173,446	241,312	258,235	222,888
Livestock water pipelines	46,160	130,308	126,844	126,962
Permanent fences	211,885	196,239	172,998	14,124
Timber stand Improvement	43,148	45,692	79,177	69,680
Constructing stock Trails	0	873	1,647	307
Weed Control	165,537	113,284	158,405	156,841
TOTAL RANGE, LIVESTOCK PROGRAMS	$1,068,485	$1,174,184	$1,265,004	$1,193,517
Proportion of State Total for all R.E.A.P.	27%	30%	32%	34%

[1]Excludes small cost increases.

Source: Annual Reports, U.S.D.A., A.S.C.S.

RURAL ELECTRIFICATION PROGRAM

UNITED STATES DEPARTMENT OF AGRICULTURE
Rural Electrification Administration

RURAL ELECTRIFICATION PROGRAM IN MONTANA

REA loans to rural electric systems in Montana provide for service to an estimated 60,577 rural consumers over 34,763 miles of line. Loans made thus far to the 25 REA electric borrowers in the State, all cooperatives, total $88,959,029. The first REA loan in the State was approved in May 1936, with the first REA-financed line energized December 5, 1937, by the Lower Yellowstone Rural Electric Association, Sidney.

Consumers served by REA borrowers in the State are using increasing amounts of electricity on their farms, in their rural homes and businesses. In 1970, the average monthly consumption per consumer was 1,087 kilowatthours, compared with 628 kwh in 1960.

As of January 1, 1972, REA had advanced $84,969,259 to borrowers in this State. The funds have been invested by the borrowers in local electric facilities. At the beginning of 1971, borrowers had energized 35,222 miles of line serving 56,464 farm and other rural consumers. Of the 26,300 farms in the State, 97 percent are receiving electric service, compared with only 2,768 farms, or 5.5 percent, when REA was created in 1935.

By January 1, 1972, REA borrowers in Montana had made a total of $53,341,120 in payments on their Government loans. The payments included $31,403,211 repaid on principal as due, $4,879,198 of principal paid ahead of schedule, and interest payments of $17,058,711.

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ECONOMIC IMPACT OF THE NEW REA LOAN PROGRAM

It is apparent from the table below that those rural electric systems recognized by REA as having the greatest need for low cost capital will bear the largest increase under the new program.

At the beginning of last year, some 128 rural electric systems had either TIER or DSC below minimum REA standards, indicating inadequate margins. According to REA, 88 co-ops were ineligible for supplemental financing at the beginning of this fiscal year. The financial burden of the new REA loan program will be particularly harsh on these systems, who are not being offered any relief whatsoever.

The amount of additional annual interest expense for each one million dollars in loan funds will range from $21,000 to $30,000. The impact of a co-op's margins may be devasting. For the weaker co-ops, it may well mean incurring a deficit. For most rural electric cooperatives, a rate increase will be required.

Raising retail rates continuously to offset the higher interest costs experienced under the new REA loan program is not a simple and easy solution. It violates the principle of low-cost energy to all rural areas upon which the rural electrics have operated for more than 35 years. It increases the cost of a basic social service to persons least able to afford such inflation. It discourages rural area development by resulting in noncompetitive energy pricing.

Rural electric systems require $1,177 in plant to serve each consumer-member. By increasing the co-ops cost of capital by as much as 150% in one fell swoop, their continued existence is threatened. As a result, the availability of low cost energy to America's rural areas is at stake. Farmers, the Nation's most productive businessmen, rely on electricity to operate. Industries, offering employment opportunities to rural residents, will not remain or locate in areas void of energy at competitive rates.

Rural electric systems have only one-fifteenth of the revenue per mile of line and barely one-tenth of the consuemrs per mile of line of those of investor-owned electric utilities. The termination of the REA 2% loan program will diminish the co-ops' ability to overcome these financial obstacles.

Prior REA-CFC Blended Interest Rates:	New REA-CFC Blended Interest Rates:	Annual Additional Interest Expense (Per $ million loan)	Total Additional (Per $ million loan, 35 year period)
2.00% .... (0% CFC)	5.00%	$30,000	$737,433
2.55% ....(10% CFC)	5.25%	27,000	678,850
3.10% ....(20% CFC)	5.50%	24,000	615,384
3.65% ....(30% CFC)	5.75%	21,000	562,827

Don Smith
1/8/73

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Balance available under the Rural Development Act, insured loans at 5% (618,000,000 less $228,000,000)		390,000,000

CONSEQUENCES OF THE NEW
REA LOAN PROGRAMS

THROUGH 1970 -- REA HAS LOANED A TOTAL OF $86,829,000.00 TO MONTANA RURAL ELECTRIC COOPERATIVES.

ESTIMATE OVER NEXX 15 YEARS -- $80,000,000.00 MORE WILL BE PUT INTO PLANT.

$80,000,000. at 2% INTEREST	$1,600,000
$80,000,000 at 5% INTEREST	4,000,000
$80,000,000 at 7½% INTEREST	6,000,000

USING THESE FIGURES REC'S IN MONTANA COULD BE PAYING $2,400,000 MORE PER YEAR WITH FEDERAL 5% MONEY. OR IF THEY MUST FINANCE ALL OF THEIR LOANS USING CFC MONEY AT APPROXIMATELY 7½% THEY COULD BE PAYING $4,400,000 MORE PER YEAR INTEREST.

4-C'S

State of Montana
Community Coordinated Child Care
805 N. Main
Helena, Montana 59601

THOMAS L. JUDGE
GOVERNOR

JAMES L. PIPPARD
DIRECTOR

March 6, 1973

Honorable Lee Metcalf
United States Senate
427 Old Senate Office Building
Washington, D.C. 20510

Dear Senator Metcalf:

In order to give you as accurate a picture as possible of the devastating effects of the new Social Services Regulations may I detail the situation in Montana.

Since you have a deep interest in Montanas Indians may I start here. Every day care center in six of Montana's seven reservations will close. This includes St. Ignatius, Browning, Lame Deer, Crow, Rocky Boy, Hardin. Summer day care programs will close at Poplar. The Browning Day Care Center alone has 90 children.

In Montanas cities summer and after-school day care programs will close, or never open, in Helena, Butte, Great Falls, Billings and Missoula. The above is due to the lack of use of private (grants, United Fund) monies to match Title IV-A monies. Also the restrictions are being severly tightened.

The above closure of programs will mean a loss of about $800,000 annually in Montana, or in other words, a loss of $200,000 private match monies, and $600,000 in federal monies. Very directly this means the loss of <u>direct</u> programs to about 600 children.

A serious problem in the new Social Service Title IV-A regulations is that no provision is made for <u>planning and coordination</u> - the thrust of local and state 4-C's. Therefore, local 4-C agencies, now using Model Cities monies in Butte and Helena, and United Fund monies in Missoula will not be funded. A loss of about $85,000 and seven staff people. Butte 4-C's alone, has virtual assurance of bringing about $90,000 in further grants due to its activity.

So, in summary about 600 children will directly affected; thousands more whose day care situations are affected by training - or lack of training of day care operators; program and salary loss will be well over $800,000 and about seven staff people.

I hope this letter explains in some detail, how one segment of our state - day care programs - will be adversely affected by the Presidents cutbacks. This is only one of a large number of programs adversely affected.

I hope this information will assist you in preventing these cutbacks.

Sincerely yours,

James L. Pippard

James L. Pippard
Director

CC: Senator Mansfield
Congressman Melcher
Congressman Shoup
Phillip Rutledge, Acting Administrator, Social & Rehabilitation Services

HOUSING

HOUSING

Recently the National Association of Home Builders announced that they had reason to suspect that housing starts will fall 20% from 2.4 million in 1973 to around 1.9 million in 1974. This would be twice the drop for 1974 that had been anticipated. Nationally and in Montana this will mean a drop in builders' profits and labor pay envelopes.

Last year federally subsidized programs financed the construction of 14% of all housing starts. Some of the programs involved are the Public Housing Program; Section 235 of the Housing Act of 1968, under which the Government helps families buy houses; Section 236 of the Housing Act, under which the Government subsidizes apartment building for low-income families; and FMHA subsidized programs for rural low-income families.

Each dollar of government assistance for housing results in a direct, private investment of 15-20 dollars for construction and land improvement. This total investment creates a demand for housing-related services reflect in expenditures for real estate taxes, interest, operation, and maintenance.

All of these direct expenditures for housing,a s well as expenditures for community facilities to support the newly constructed housing, are subject to a multiplier effect which results from the additional purchasing power created by the payment of wages and payments for good and services. The commonly accepted multipler is two.

POTENTIAL LOSSES DUE TO 18 MONTH MORATORIUM ON FmHA SUBSIDIZED HOUSING PROGRAMS

Along with HUD's federally subsidized housing programs, the housing programs of the Farmers Home Administration have been suspended. The "18 month evaluation study" immediately ceases interest credit loans under the 502 home ownership program (except for self-help housing), the 515 rental program, and all loans and grants for farm labor housing. All programs that benefit the low income families in rural America that need better housing.

The poorly housed are the most obvious victim, but the housing industry will suffer, too. According to an analysis done by the Housing Assistance Council, rural America's potential loss in dollars over the 18 month period is staggering: nearly $1.6 billion. But, dollars again tell only part of the story; potential employment losses are estimated at 133,120 man years. Potential losses to Montana are estimated at $3,028,075 and 240 man years.

POTENTIAL LOSSES DUE TO THE 18 MONTH MORATORIUM ON HUD's HOUSING ASSISTANCE PROGRAMS

During the first week in January, outgoing Secretary of the Department of Housing and Urban Development, Romney announced an 18 month freeze on all 235, 236, and Public Housing programs. The only program to remain unaffected is the conventional F.H.A. Mortgage Guarantee Program. The imposition of the moratorium will have severely adverse consequences for the construction industry and on the economy as a whole.

Production under the 235, 236, and Public Housing programs at the level authorized in FY 73 appropriations would generate $6.77 billion worth of new housing construction over a 12-month period with an annual total economic impact of over $13.4 billion. The total direct employment created by the operation of these programs at the level for which the Congress has provided funding would be about 779,000 man years.

Conversely, the $6.7 billion reduction in direct expenditures which would result from a moratorium on assistance programs would reduce the current rate of residential construction by 15.5%. Such a cut would cause a 1.31% reduction of the GNP and more than double the number of construction unemployed. Furthermore, this reduction in housing construction would cause a concomitant reduction in community development expenditures for roads, schools, water and sewer lines, etc., with a total direct impact of approximately $1.14 billion and a loss of employment of approximately 131,000 man years. There would be an annual reduction in expenditures for related service of $675 million.

The total loss to the economy from a moratorium on HUD's housing assistance programs is, thus, estimated at $16.5 billion and 1,898,000 man years of employment over a 1 year period.

TABLE 1

ECONOMIC IMPACT OF THE CONSTRUCTION OF LOW INCOME SUBSIDIZED HOUSING

Item	Cost Per Unit		Total Units	Total Cost (in Millions)
I. Construction Cost				
Single Family Housing (235)				
Median Sales Price	$19,000			
Land (unimproved)	1,300			
Improvement	15,200	X	170,500[1]	$2,591.6
Land Improvement	2,500	X	170,500	426.3
Multifamily Housing (236)				
Median Price	$16,000			
Land (unimproved)	800			
Improvement	13,500	X	134,500[1]	$1,815.8
Land Improvement	1,700	X	134,500	228.7
Public Housing				
Median Price	$20,000			
Land (unimproved)	940			
Improvement	17,400	X	90,000[1]	$1,566.0
Land Improvement	1,660	X	90,000	149.4
			SUB-TOTAL	$6,777.8
II. Community Development				
Singles	$ 3,000	X	170,500	$ 511.5
Multiples	1,500	X	224,500	336.8
Additional Direct Expenses About $250 per unit	$ 250	X	395,000	$ 98.8
Durable Goods and Services About $500 per unit	$ 500	X	395,000	$ 197.5
			SUB-TOTAL	$1,144.6
	TOTAL DIRECT EXPENDITURES			$7,922.4
III. Multiplier (2X)				$15,844.8

TABLE 1 continued

Item	Cost Per Unit		Total Units	Total Cost (in Millions)
IV. Related Services				
Real Estate Taxes				
235	$ 420	X	170,500	$ 71.6
236	$ 400	X	134,500	53.8
Interest				
235	$1,578	X	170,500	$ 26.9
236	1,357	X	134,500	18.3
Public Housing	848	X	90,000	7.6
Insurance				
235	$ 60	X	170,500	$ 10.2
Heat & Utilities				
235	$ 360	X	170,500	$ 61.4
Maintenance & Repairs				
235	$ 168	X	170,500	$ 28.6
Annual Expenses on Multiple Units				
Renting	$ 61 (1.8%)			
Administration	234 (6.9%)			
Operating	1,434 (42.2%)			
Maintenance	629 (18.5%)			
Reserves	204 (6.0%)			
Taxes (already included)	-- (24.6%)			
TOTAL	$2,562	X	224,500	$ 575.2
TOTAL RELATED SERVICES				$ 675.4
TOTAL ALL (I + II + III + IV)				$16,520.2

1) Based on appropriations for FY 1973 as follows: Sec. 235, $150 million; Sec. 236, $170 million; Public Housing, $148 million.

A $6.77 billion reduction of direct construction expenditures would drop the current rate of residential construction by 15.5%. The total direct and indirect impact would result in a 1.31% reduction of the GNP.

Impact on Employment

About 115 workers are employed for one year for each $1 million spent on all construction. More than half of the jobs created by construction expenditures are in various stages of manufacturing, mining, trade and transportation industries that produce, sell, and deliver materials required for construction activities. Slightly less than one half of the jobs created are in direct construction.

The impact of lost indirect and related services expenditures on jobs is not as clearly known. However, there is no question but that $8.5 billion in expenditures would have significant employment impact. We have therefore used the same factor of 115 man-years per $1 million of expenditures as used for direct construction expenditures.

The impact on employment is shown in the table below.

TABLE 2

SUMMARY OF THE COST IMPACT OF CONSTRUCTION OF LOW INCOME SUBSIDIZED HOUSING AND THE IMPACT ON EMPLOYMENT

Item	Cost (in Millions)	Impact on Employment in Man Years
I. Construction Cost	$ 6,777.8	779,000

TABLE 2 continued

Item	Cost (in Millions	Impact on Employment in Man Years
II. Community Development	$ 1,144.6	131,000
III. TOTAL DIRECT	7,922.4	910,000
IV. Indirect	$ 7,922.4	911,000
V. Related Services	675.4	77,000
TOTAL	$16,520.2	1,898,000

Assuming that the workers will not be able to find another construction job--a fairly defendable assumption since there is a decline expected in construction expenditures in 1973--total direct impact would more than double the number of construction workers out of jobs. (In November, the unemployment rate was at 9.7%, with total unemployed construction workers at 371,000.)

ANACONDA NEIGHBORHOOD DEVELOPMENT PROGRAM

The City of Anaconda has the first Neighborhood Development Program in the State of Montana. This program is funded on a fiscal year to year basis.

The plan for the Anaconda area, as defined in the General Neighborhood Renewal Plan and Comprehensive Plan was for the revitalization of a 583 acre project within an 8 to 10 year program. We are now in our second action year. Briefly, we are now, after 36 parcels were acquired in our first year, ready to redevelop in residential and commerical areas. In redevelopment in residential areas, we are deeply concerned about the freeze on FHA 235 and 236 housing programs. In one area, a 20 unit apartment type complex is scheduled and in another prime area, a 100 Senior Citizens Housing project, under the sponsorship of the Anaconda Ministerial Association is also scheduled for this year. Both sites were acquired through our Agency and this was through Housing and Urban Development criteria of acquisition, relocation and demolition. This lives up to our Comprehensive Plan for the area and is very vital to any future planning or development.

Part of the cost of our program is in planned resale. An official directive from HUD makes it very imperative that any land acquired by an agency has to be disposed of in a 12 month period. It is very difficult, to say the least, when we are restricted by housing freezes, to make land available to a developer that will assist in relieving our critical housing shortage, broaden our tax base and to over-all redevelopment of our neighborhoods.

This is just one part of this program that is in jeopardy. It is hard to plan on the reservation year which would be 1974, when we at the present time have no idea as to how funding will be made available either through our regular HUD assistance program or special revenue-sharing.

In following proper planning as scheduled for our community, the Central Business District would be the No. 1 program for 1974. We have a Central Business District committee composed of bankers, business and professional men, that is dedicated to bringing well planned development to our downtown project. Financial resources and the expertise is available but we definitely need the assistance of this type of program to make it a more viable program.

In summary, any radical change in programming or budgeting could be fatal to our community.

(Information Supplied by Anaconda Urban Renewal)

EMPLOYMENT SECURITY DIVISION

EMPLOYMENT SECURITY DIVISION
(Information supplied by Fred Barrett, Administrator)

Through the mid-winter freeze on enrollments in the various Federal Manpower Programs, plus the retrieval by Denver regional of budgeted, but unexpended MDTA funds, the Employment Security Division lost approximately $324,000 for the balance of the current fiscal year.

No exact figures have been released as yet for Montana's share of the 1973-74 allocation of manpower money. Regional officials have forewarned the Employment Security Division, however, not to expect more than 85% of last year's funding level. Just where the 15% cut will be made is unclear at this time, although definite information is expected soon.

NEWS

Press Release
Friday, March 9, 1973
Immediate Release from the

EMPLOYMENT SECURITY DIVISION

OF

MONTANA DEPARTMENT OF LABOR AND INDUSTRY

FRED BARRETT, ADMINISTRATOR

ESC Building Helena, Montana

Time is running out for the $6.4 million Public Employment Program (PEP) which provided necessary public service jobs in all Montana counties for more than 1,650 workers since September, 1971, according to Employment Security Administrator Fred Barrett.

Unless there is a last minute federal reprieve the abandonment of the PEP program, like other manpower and job creation programs of the last decade, will mark the end of the era of social and economic change when it expires on June 30, 1974. The first steps of the phase-out will start this summer, Barrett said.

Currently there are 703 PEP employees on contracts with 56 counties, 31 state agencies, 84 cities and 65 school districts, Barrett said.

More than half of the PEP employees are on jobs related to law enforcement, education, and public works and transportation. The remainder are in fields of environmental quality, fire protection, parks and recreation, social services, and others.

The average monthly wage for all workers is $560.00 a month, Barrett added.

The majority, 79 per cent of the PEP work force, is in the 22 to 44 age group, 74 per cent are veterans, and 30 per cent are

M O R E

HEALTH

March 16, 1973

MEMORANDUM

TO: The Honorable Mike Mansfield, U.S. Senate
The Honorable Lee Metcalf, U.S. Senate
The Honorable John Melcher, Congress of the U.S.
The Honorable Dick Shoup, Congress of the U.S.
The Honorable Tom Judge, Governor, State of Montana
Mr. William Leary, Montana Hospital Association
Mr. Brian Zins, Montana Medical Association
Mr. Roderic Gudgel, Montana Nursing Home Association
Mr. Dan Newman, OEO
CHP (a)
CHP (b)
All Montana Hospitals
Regional Office
Dr. Graning

FROM: John S. Anderson, M.D., John S Anderson
Director, Department of Health and Environmental Sciences

SUBJECT: PROPOSED TERMINATION OF HILL-BURTON HEALTH FACILITY CONSTRUCTION PROGRAM.

This Department is very concerned about the possibility of the termination of the Hill-Burton Construction program as proposed by the Administration through the 1974 budget document. Our concerns center about the serious needs which still exist and the dismantling of State Agencies with their knowledgeable staff which can and do offer technical advice, guidance and assistance to the State Comprehensive Health Planning "a" and "b" agencies through the State Plan in matters concerning needs, use, operation, and status of facilities, services, and manpower.

NEEDS:

My staff has completed a review of the total volume of Montana Health care facility construction needs which includes replacement of obsolete facilities, additions to existing facilities, modernization and corrections to existing facilities which are presently in violation of the NFPA Life Safety Code No. 101 as required in both Title XVIII (Medicare) and Title XIX (Medicaid).

The following are the project needs for 1974 and 1975, assuming that unlimited Federal funds are available.

	1974-1975 Federal Share	1974-1975 Total Construction Costs - 2 Years
Hospitals	$32,115,000	$56,068,000
Long Term Care Facilities	2,458,000	4,292,000
Outpatient Facilities	450,000	786,000
(See Incl. 1) TOTALS	$35,023,000	$61,146,000

MERGERS AND SHARED SERVICES:

A major benefit of Federal grants and loans is the dollar incentive to encourage hospital mergers and shared services as suggested, where feasible, by all competent planning agencies. A prime example is the Northern Montana Hospital in Havre, currently approved for construction which will replace two (2) existing non-conforming facilities with a dramatic reduction in beds from the original 187 to 119. The loss of the Hill-Burton financial incentive may possibly preclude such future mergers. While it is true that some mergers and shared services can proceed without Federal financial assistance, especially in low income and poverty areas, dollar incentives are extremely important (even necessary) and must be continued. This is even more important when considering the category of "free-standing" outpatient facilities which, even though constructed, cannot possibly support the cost of operation without some type of subsidy (city, county, state, etc).

The consolidation of rural hospitals in order to provide more comprehensive, high quality care will be seriously jeopardized unless capital financing is supported by tax funds from other than local sources, especially since many of our counties have extremely limited resources. An example is Mineral County where the county is experiencing difficulty in matching the maximum Federal grant of $296,000.00.

IMPACT OF FEDERAL AND STATE REGULATIONS:

The financial impact of both Federal and State regulations, implementing the Title XVIII (Medicare) and Title XIX (Medicaid) programs, P.L. 92-603 and others, is staggering. Just today one of our oldest and most respected hospitals announced that they will cease operation within the year. This action became necessary because to expend the monies (4 1/2 million dollars) to bring their facility into complete conformance would impose such an increase in hospital charges that the public could not afford to use the facility. The closure will result in about 300 persons being forced out of work.

If this situation repeats itself, the impact on the labor market in Montana would be extremely severe.

HILL-BURTON STATE AGENCY SERVICES AND CONTINUITY IN CARRYING OUT THE LAW AND REGULATIONS:

1. Who will supervise projects not yet under construction (Havre, Cut Bank, Hamilton, Butte, Kalispell, Wibaux) but which have been planned and funded with grants and loans from the Hill-Burton Program?

The present law (P.L. 91-296) provides State Agencies with administrative funds based on 4% of the annual grant not to exceed $100,000. Thus, Montana on the basis of the Fiscal Year 1972 grant of $1,294,566.00, received a maximum of $51,782 64 for administrative costs. No administrative funds have been allocated for Fiscal Year 1973 and none are forecast for Fiscal Year 1974. Projects approved in previous years are in varying stages of planning, construction, or auditing. Two of our major projects - Northern Montana Hospital, Havre, (estimated cost $5,500,000) and Marcus Daly Memorial Hospital, Hamilton, (estimated cost $2,500,000) - have not yet broken ground and will probably not let bids for another 4-6 weeks. Other approved projects not yet under construction include projects in Wibaux, Butte, Kalispell, and Cut Bank. Conservatively at least three to five years will be required to finally close out these projects. The time is necessary for processing applications, reviewing plans and specifications, inspections during construction for compliance with plans and specifications and for payments of Federal funds during construction, final inspection upon completion, and the final audit of the complete project for final payment of Federal funds.

2. Who will carry out the uncompensated services or "free care" provisions of DHEW regulations 53.111 of Title 42, CFR, entitled "Services for Persons Unable to Pay"?

The present HEW regulations were effective November 4, 1972 and the Montana State Regulations implementing the program became effective November 18, 1972. The State Agency is required to enforce these regulations for at least 20 years after completion of a facility, which in the case of our approved projects not yet under construction, will need supervision of the program for the next 23-25 years. The some 65 low income organizations in Montana are very concerned and determined that this program will be carried out to the fullest extent of the regulation.

3. Who will be responsible to insure that health care facilities which have or will benefit from the Hill-Burton program retain their non-profit status as required by law?

With the number of proprietary corporations entering the hospital field and purchasing existing hospitals, it is expected that continued supervision of hospitals will be required. Recovery of Federal grant and loan funds is the taxpayers right under the law if the Hill-Burton assisted facilities change their non-profit status within 20 years following construction.

4. Who will be responsible for insuring compliance with Sec. 221, Title II, P.L. 92-603, titled "Limitation on Federal Participation for Capital Expenditures"?

This law became effective on December 31, 1972, and requires prior review and approval by the Department of Health and Environmental Sciences (314a, 314b, and Hill-Burton State Agency) of any capital expenditures which:

1. amounts to $100,000 or more, or

2. changes the bed capacity of the facility with respect to which such expenditure is made, or

3. substantially changes the services of the facility with respect to which such expenditure is made.

LOSS OF THE STATE PLAN FOR HEALTH FACILITIES CONSTRUCTION:

In Montana it is the policy of the Hill-Burton Authority, the Director of the Department of Health and Environmental Sciences, to involve the Comprehensive Health Planning Agencies, both the 314a and the 314b agencies in the development of the State Construction Plan which is compatible with CHP objectives.

The "b" agencies utilize the State Plan extensively in their relations with the health facility constituency. Since there is no other comparable publication, the loss of the State Plan would be a serious blow to all levels and areas of health planning. This includes Civil Defense, Emergency Health Services, Comprehensive Health Planning, and many other entities.

The capability of Montana's 314b agencies, at this point in their development, to provide for rational, impartial, workable health facility planning has yet to be proven. One of their major problems is the shortage of qualified, experienced facility planners and a lack of time in which to accomplish the added workload imposed on them, virtually overnight, by P.L. 92-603 and other legislation.

We hope this information will be of assistance and we appreciate your continuing interest in the Hill-Burton program. Please contact us if there are any questions or problems with which we may be able to assist.

PROJECTS WHICH COULD BE APPROVED UNDER THE HOSPITAL AND MEDICAL FACILITIES CONSTRUCTION (HILL-BURTON) PROGRAM, IF [illegible] LIMITATIONS ON MATCHING FEDERAL GRANT FUNDS

Fiscal Years 1974 and 1975

STATE Mont - 1972 Allotment Percentage 57.28

List by Category of Facility

Example: All General Hospitals listed together, All Long-Term Care Facilities, All Public Health Centers, etc.

Category of Facility	Location: City	Location: County	Name of Facility	Type of Construction (Check One): (1) New Fac	(2) Addition	(3) Remod	(4) Repl	(9) Part Repl	Beds Provided	Estimated Cost (000's): Total Cost	Hill-Burton: Fiscal Year 1974	Fiscal Year 197[illegible]
General Hospitals	Libby	Lincoln	St. John's Lutheran Hospital			X				400	229	
	Kalispell	Flathead	Kalispell General Hospital				X		64	3,060	1,753	
	Missoula	Missoula	St. Patrick's Hospital									
			Phase I					X		3,500	2,005	
			Phase II			X				465	266	
	Shelby	Toole	Toole County Hospital				X		30	1,350	773	
	Choteau	Teton	Teton Memorial Hospital				X		25	1,125	644	
	Great Falls	Cascade	Columbus Hospital									
			Phase I			X				1,500	859	
			Phase II				X		300	15,000	8,592	

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PROJECTS WHICH COULD BE APPROVED UNDER THE HOSPITAL AND MEDICAL FACILITIES
CONSTRUCTION (HILL-BURTON) PROGRAM, IF THERE WERE NO LIMITATIONS ON MATCHING FEDERAL GRANT FUNDS

Fiscal Years 1974 and 1975

STATE Mont - 1972 Allotment Percentage 57.28

List by Category of Facility

Example: All General Hospitals listed together, All Long-Term Care Facilities, All Public Health Centers, etc.

Category of Facility	Location: City	Location: County	Name of Facility	Type of Construction (Check One): (1) New Fac	(2) Addition	(3) Remod	(4) Repl	(9) Part Repl	Beds Provided	Estimated Cost (000's): Total Cost	Hill-Burton F[...]: Fiscal Year 1974	Hill-Burton F[...]: Fiscal Year 1975
General Hospitals	Chester	Liberty	Liberty County Hospital				X		10	450	258	
	Philipsburg	Granite	Granite County Mem. Hospital			X			10	150	86	
	Bozeman	Gallatin	Bozeman Deaconess Hospital					X	50	3,200	1,833	
	White Sulphur Springs	Meagher	Mountain View Mem. Hospital				X		10	450	258	
	Helena	Lewis & Clark	St. John's Hospital			X				900	516	
	Lewistown	Fergus	Central Montana Hospital				X		52	2,340	1,340	
	Livingston	Park	Livingston Mem. Hospital				X		58	2,610	1,495	
	Billings	Yellowstone	Billings Deaconess Hospital Phase I			X			166	3,000	1,718	
			Phase II					X	31	1,178	675	

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PROJECTS WHICH COULD BE APPROVED UNDER THE HOSPITAL AND MEDICAL FACILITIES CONSTRUCTION (HILL-BURTON) PROGRAM, IF THERE WERE NO LIMITATIONS ON MATCHING FEDERAL GRANT FUNDS

Fiscal Years 1974 and 1975

STATE Mont - 1972 Allotment Percentage 57.28

List by Category of Facility

Example: All General Hospitals listed together, All Long-Term Care Facilities. All Public Health Centers. etc.

Category of Facility	Location: City	Location: County	Name of Facility	Type of Construction (Check One): (1) New Fac	(2) Addition	(3) Remod	(4) Repl	(9) Part Repl	Beds Provided	Estimated Cost (000's): Total Cost	Hill-Burton Funds: Fiscal Year 1974	Fiscal Year 1975
General Hospital	Billings	Yellowstone	St. Vincent's Hospital			X		X	130	6,000	3,437	
	Glasgow	Valley	Frances Mahon Deac. Hospital					X	51	2,300	1,317	
	Culbertson	Roosevelt	Roosevelt Memorial Hospital				X		21	945	541	
	Polson	Lake	St. Joseph's Hospital			X				500	286	
	Jordan	Garfield	Garfield County Hospital			X				300	172	
	Circle	McCone	McCone County Hospital				X		18	945	541	
	Miles City	Custer	Holy Rosary Hospital			X			136	2,400	1,375	
	Ennis	Madison	Madison Valley Hospital			X			20	900	516	
	Butte	Silver Bow	St. James Comm. Hospital			X			24	1,100	630	
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	TOTALS								1,206	56,058	32,115	

PROJECTS [illegible] ACCOUN[illegible] [illegible] HOSPITAL AND MEDICAL FACILITIES
CO[illegible] HILL-BURTON PROGRAM [illegible] OBLIGATIONS OF MATCHING FEDERAL GRANT FUNDS

Fiscal Years 1974 and 1975

STATE Mont - Allotment 1972 - 57.28[illegible]

List by Category of Facility

[illegible] This List [illegible] All Long-Term Care Facilities, All Public Health Centers, etc

Category of Facility	Location: City	Location: County	Name of Facility	Type of Construction (Check One): (1) New Fac	(2) Addition	(3) Remod	(4) Repl	(9) Part Repl	Beds Provided	Estimated Cost (000's): Total Cost	Hill-Burton Funds: Fiscal Year 1974	Hill-Burton Funds: Fiscal Year 1975
Long Term Care Facilities / Skilled Nursing Facilities	Wibaux	Wibaux		X					30	600	344	
	TOTALS								264	4,292	2,458	
Outpatient Facilities	Great Falls	Cascade	Montana Deaconess Hospital		X					286	164	
	Butte	Silver Bow	St. James Community Hospital		X					500	286	
	TOTALS									786	450	
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	GRAND TOTAL								1,470	61,146	35,[illegible]23	

Department of Health and Environmental Sciences
STATE OF MONTANA HELENA, MONTANA 59601

John S. Anderson M.D.
DIRECTOR

March 7, 1973

Mr. Dan Newman, Director
Office of Economic Opportunity
Capitol Building
Helena, Montana 59601

Dear Mr. Newman:

We are still getting information on federal funding, so this report is incomplete:

I. Hill-Burton - We receive $1,200,000 in grant monies and $2,700,000 in guaranteed loan monies. We have received no monies for fiscal 1973.

If funds were available, we know of sponsors who would apply for between 12 and 13 million dollars in medical facilities construction funds. This would require about $6,000,000 in Hill-Burton matching monies.

Attached is a schedule of construction possibilities.

II. Waste Treatment Facilities - Attached is a listing of communities which we believe would have received federal grants if the full $5 billion had been released for fiscal year 1973 and the full $6 billion for fiscal year 1974. Communities scheduled to receive federal grants under the fiscal year 1973 and 1974 releases have not been included in the listing. The communities listed would be in addition to these as Montana should have received an additional $9,950,000 with full release. Our present allocation is $8,300,000 for the two years.

III. Alcohol - Attached is a breakdown of information concerning the impact of the federal budget cutback on the funding of alcoholism programs in the State.

Based on applications we know are currently in NIAAA and continuation of those programs funded for 1 year with the possibility of 2 or 3 more, consideration of some other monies being requested of NIAAA, the total amount we projected as being involved in the cutback of the NIAAA budget and its effect in Montana is minimally $5,166,238.

The former OEO funded program at Havre and Glendive, as well as the Indian Reservation programs formerly funded by OEO, were transferred to NIAAA funding. Funding for year 01 of that transfer was assured, but years 02

and 03 were dependent upon review of the program and availability of funding. We estimate that this would amount to approximately $1 million over the three year period for the Indian Alcoholism programs, if funded at the transfer level or at that level plus 10%. The amounts for the Havre and Glendive programs would be approximately $267,000 over the next two year period, if funds were to be made available at that continuation rate.

The Alcohol & Drug Association of Southwestern Montana (Helena) has an alcoholism treatment center staffing grant for 8 years, which would amount to approximately $800,000 to $1 million for the period. This funding has been covered in the Presidential Budget that would allow for the funding of ATCs through 1980. There has been a developmental supplement submitted in the 02 year application of ADA that would include the areas in and around Butte, and over a period of 7 years remaining in the grant would approximate $1 million if monies were to be made available.

This would mean a total of $5,166,238 of alcoholism program monies affected by the cutback in fiscal 1973,1974 budget of NIAAA.

The monies allocated for the State of Montana under the formula grant program enacted under P.L. 91-616 remain stable in the President's budget message, and we have been told that we can expect funding at the minimum level of $200,000, which is the amount we received for fiscal 1972. The State Plan for fiscal 1973 has been submitted to the Regional Office for review and approval.

The authorization for all of the programs mentioned above, with the exception of state formula grant program, expire June 30, 1973 and have not been continued by Congressional action; consequently, they are not shown for new monies in the 1974 budget, as we understand it.

IV. Crippled Children and MCH - We do not know the amount of funds that Montana will receive from Title V of the Social Security Act. However, this grant will have to pick up two projects presently being granted separately. This would be the Lewis & Clark Children and Youth project currently under a $339,000 grant and the Flathead County Dental project operating with a $44,000 grant.

In addition the State will have to commence two new projects: an infant treatment center and a maternal and infant care program. We estimate that the cost of these two programs will approximate $350,000.

The net effect will be to further reduce the number of children that can be served by these programs.

Sincerely yours,

John S. Anderson

John S. Anderson, M.D.
Director

JSA/acw
Att.

1

COST ESTIMATE FOR MONTANA HOSPITALS & NURSING HOMES

TO COMPLY WITH LIFE SAFETY CODE NFPA NO. 101 (1967)

ility (Beds)	Location	Life Safety Code	Sprinkler System	Replacement	Total
(78 - 64 Needed) Kalispell General	Kalispell		+	$3,060,000	$3,060,000
(18) Sanders County	Hot Springs			720,000	720,000
(40) St. Joseph Hosp.	Polson	300,000			300,000
(25) St. Luke Hosp.	Ronan		17,000		17,000
(26) Holy Family (10 NH)	St. Ignatius	10,000			10,000
(65) Missoula General	Missoula			3,000,000	3,000,000
(249) St. Patrick's Hosp.	Missoula	500,000			500,000
(- 30 Needed) Toole Co. Hospital (NH 34 - 40 Needed)	Shelby	50,000			50,000
(30 - 31 Needed) Malta Hospital	Malta	100,000	23,000		123,000
(27 - 25 Needed) Teton Memorial Hosp.	Choteau	X		1,000,000	1,000,000
(187) Columbus Hosp.	Great Falls	300,000			300,000
(26) Cascade Co. Convales.	Great Falls				
(270) Mont. Deaconess Hosp.	Great Falls	50,000	1,000,000		1,050,000
(18) St. Clare Hosp. (20 NH)	Fort Benton	5,000			5,000
(9) Big Sandy Medical Center	Big Sandy	15,000	14,000		29,000
([illegible]) Liberty Co. Hosp. (39 NH)	Chester	X	31,200	500,000	531,200

acility (Beds)	Location	Life Safety Code	Sprinkler System	Replacement	Total
1 uby Valley Hosp.	Sheridan	1,500	25,000		26,500
116) ozeman Deaconess Hospital	Bozeman	X		3,200,000	3,200,000
23 - 12 Needed) roadwater Hosp.	Townsend	X		500,000	500,000
8) ountain View em. Hosp. 6 NH)	Whte. Sulphur Springs	X		400,000	400,000
35) hodair Childrens Hospital	Helena	300,000			300,000
142) ilver Bow Gen.	Butte	30,000			30,000
200) t. James Comm.	Butte	125,000			125,000
60) naconda Community	Anaconda	150,000			150,000
10) ranite County emorial Hosp.	Philipsburg			500,000	500,000
76 - 52 Needed) entral Mont Hosp. 26 NH)	Lewistown	X		3,000,000	3,000,000
21) oundup Mem. Hosp. 16 NH)	Roundup	2,000	1,600		2,000 1,600
(52) ivingston Mem. Hospital	Livingston		40,000		40,000
17 - 12 Needed) weet Grass Comm. Hospital	Big Timber	1,000	15,000		16,000
(29) Stillwater Comm.	Columbus	+	30,000		30,000
(? Carbon Co. Mem. Hospital 24 NH)	Red Lodge	+	42,000		42,000

Facility (Beds)	Location	Life Safety Code	Sprinkler System	Replacement	Total
(202) Saint Vincent's ...pital	Billings			$5,000,000	$5,000,000
(51) Frances Mahon Deaconess	Glasgow	X		2,500,000	2,500,000
(20) Daniels Mem. Hosp. (19 NH)	Scobey		22,000		22,000
(39) Sheridan Memorial Hospital (27 NH)	Plentywood	+	22,000		22,000
(12) Roosevelt Mem. Hospital	Culbertson	X		750,000	750,000
(47) Trinity H osp.	Wolf Point	20,000			20,000
(35) Powell County Memorial Hospital	Deerlodge	5,000			5,000
..plar Comm. Hospital (20 NH)	Poplar	10,000			10,000
19) ..arfield Co. Hosp	Jordan	80,000	24,000		104,000
23) ..cCone Co. Hosp.	Circle	X		720,000	720,000
29) ..allon Mem. Hosp. 24 NH)	Baker	2,000	42,400		44,400
16) ..ahl Mem. Hosp. 1 NH)	Ekalaka	1,000	27,600		28,600
36) ..ly Rosary Hosp.	Miles City	2,400,000			2,400,000
..) ..airie Com. Hosp. ..) NH	Terry,		25,000		25,000
		4,457,500	1,401,800	24,850,000	30,709,300

Footnotes: + Conforms with Part A and/or Part B of Plant Evaluation Forms.
X Does not conform with Part A and/or Part B of Plant Evaluation Forms.

There are 64 general hospitals in the State of Montana. Of these, 19 facilities, in general, meet the requirements of the Life Safety Code, 1967, NFPA No. 101 of National Fire Protection Association.

The remaining 45 hospitals are deficient with respect to the Life Safety Code, NFPA No. 101 as shown in the above table.

CONSTRUCTION (HILL-BURTON) PROGRAM, IF THERE WERE NO LIMITATIONS ON MATCHING FEDERAL GRANT FUNDS
Fiscal Years 1(and 1974

lontana - 1972 Allotment Percentage: 57.28

Category of Facility
All General Hospitals listed together, All Long-Term Care Facilities, All Public Health Centers, etc.

Category of Facility	Location: City	Location: County	Name of Facility	Type of Construction, Check One: (1) New Fac	(2) Addition	(3) Remod	(4) Repl	(5) Part Repl	Beds Provided	Estimated Cost (000): Total Cost	Hill-Burton F.: Fiscal Year 1973	Fiscal Year 197
ieral	Libby	Lincoln	St. John's Lutheran Hospital			X				400		229
ieral	Kalispell	Flathead	Kalispell General Hospital				X		68	3,060		1,753
ieral	Hamilton	Ravalli	Marcus Daly				X		60	2,700	1,221	
eral	Missoula	Missoula	St. Patricks Hospital									
			Phase I					X		3,500	2,005	
			Phase II			X				465		266
eral	Cut Bank	Glacier	Glacier County Mem. Hospital				X		20	985	324	
eral	Shelby	Toole	Toole County Hospital				X		30	1,350		773
eral	Choteau	Teton	Teton Memorial Hospital				X		25	1,125		644
eral	Great Falls	Cascade	Columbus Hospital									
			Phase I			X				1,500	859	
			Phase II				X		300	15,000		8,592
eral	Chester	Liberty	Liberty County Hospital				X		10	450		258
eral	Havre	Hill	Northern Montana Hospital				X		100	5,500	2,608	
eral	Philipsburg	Granite	Granite County Mem. Hospital			X			10	150	86	
eral	Bozeman	Gallatin	Bozeman Deaconess Hospital					X	50	3,200		1,833
eral	White Sulphur Springs	Meagher	Mountain View Mem. Hospital				X		10	450		258
			TOTALS						1,390	$65,253	$9,967	$26,[illegible]

Central Office Use Only.

Fiscal Years 19(and 1974

ontana - 1972 Allotment Percentage: 57.28

egory of Facility
All General Hospitals listed together, All Long-Term Care Facilities, All Public Health Centers, etc.

ategory of cility	Location: City	Location: County	Name of Facility	Type of Construction, Check One: (1) New Fac	(2) Addition	(3) Remod	(4) Repl	(9) Part Repl	Beds Provided	Estimated Cost (000): Total Cost	Hill-Burton F.: Fiscal Year 1973	Fiscal Year 1974
ral	Helena	Lewis & Clark	St. John's Hospital			X				900		516
ral	Lewistown	Fergus	Central Montana Hospital				X		52	2,340		1,340
ral	Livingston	Park	Livingston Memorial Hospital						58	2,610		1,495
ral	Billings	Yellowstone	Billings Deaconess Hospital									
			Phase I			X			166	3,000	1,718	
			Phase II					X	31	1,178		675
ral	Billings	Yellowstone	St. Vincent's Hospital			X		X	130	6,000		3,437
ral	Glasgow	Valley	Frances Mahon Deaconess					X	51	2,300		1,317
ral	Culbertson	Roosevelt	Roosevelt Memorial Hospital				X		21	945		541
ral	Polson	Lake	St. Joseph's Hospital			X				500		286
ral	Jordan	Garfield	Garfield County Hospital			X				300		172
ral	Circle	McCone	McCone County Hospital				X		18	945		541
ral	Miles City	Custer	Miles City (Holy Rosary) Hosp.			X			136	2,400		1,374
ral	Ennis	Madison	Madison Valley Hospital				X		20	900	516	
ral	Butte	Silver Bow	St. James Comm. Hospital			X			24	1,100	630	

ional Office Use Only

CONSTRUCTION (HILL-BURTON) PROGRAM, IF THERE WERE NO LIMITATIONS ON MATCHING FEDERAL GRA[illegible] FUNDS
Fiscal Years 1973 and 1974

Montana 1972 Allotment Percentage: 57.28

Category of Facility
: All General Hospitals listed together, All Long-Term Care Facilities, All Public Health Centers, etc.

Category of Facility	Location: City	Location: County	Name of Facility	Type of Construction (Check One): (1) New Fac	(2) Addition	(3) Remod	(4) Repl	(5) Part Repl	Beds Provided	Estimated Cost (000): Total Cost	Hill-Burton F[illegible]: Fiscal Year 1973	Fis[cal] Ye[ar] 19[74]
-TERM CARE:												
ursing Home	Cut Bank	Glacier	Glacier County Mem. Hospital			X			25	376	215	
ursing Home	Kalispell	Flathead	Kalispell General Hospital	X					60	900	515	
ursing Home	White Sul. Spgs.	Meagher	Mountain View Nursing Home		X				18	300		1
ursing Home	Butte	Silver Bow	Silver Bow General Hospital		X				100	1,700	974	
ursing Home	Philipsburg	Granite	Granite County Mem. Hospital		X				25	400	229	
ursing Home	Deer Lodge	Powell	Powell County Nursing Home	X					40	680		3
ursing Home	Jordan	Garfield	Garfield County Hospital		X	X			20	320		1
ursing Home	Ennis	Madison	Madison Valley Hospital		X				30	480		2
ursing Home	Poplar	Roosevelt	Poplar Community Hospital		X				26	416		2
ursing Home	Columbus	Stillwater	Stillwater Nursing Home	X					39	624		3
ursing Home	Circle	McCone	McCone County Hospital		X				25	400		2
ursing Home	Terry	Prairie	Prairie Communtiy Hospital		X				19	304		1
			TOTALS						427	$6,900	$1,933	$2,0[illegible]

Fiscal Years 1973 (1974

ma -- 1972 Allotment Percentage: 57.23

ry of Facility
General Hospitals listed together, All Long-Term Care Facilities, All Public Health Centers, etc.

gory of ility	Location		Name of Facility	Type of Construction Check One					Beds Provided	Estimated Cost (000)	Hill-Burton F	
	City	County		(1) New Fac	(2) Addition	(3) Remod	(4) Repl	(7) Part Repl		Total Cost	Fiscal Year 1973	Fiscal Year 1974
ent	Great Falls	Cascade	Montana Deaconess Hospital		X					286	164	
ent	Butte	Silver Bow	St. James Community Hospital		X					500		286
			TOTALS							$786	$164	$286

al Office Use Only

COST ESTIMATE FOR MONTANA NURSING HOMES

TO COMPLY WITH LIFE SAFETY CODE NFPA NO. 101 (1967)

Facility (Beds)	Location	Life Safety Code	Sprinkler System	Replacement	Total
(34 Beds) Pioneer Nursing Home	Big Timber	$ 1,000	$ 27,200		$ 28,200
(29 Beds) Big Sande Nursing Home	Big Sandy	1,000	23,200		24,200
(36 Beds) Glendeen Nursing Home	Billings	500	28,800		29,300
(158 Beds) Western Manor Nursing Home	Billings	5,000	135,000		140,000
(98 Beds) Valley Convalescent Nursing Home	Billings		78,400		78,400
(56 Beds) Gallatin County Rest Home	Bozeman	5,000	44,800		49,800
(103 Beds) Crest Nursing Home	Butte	1,500	82,400		83,900
(39 Beds) Liberty County Nursing Home	Chester	1,000	31,200		32,200
(34 Beds) Sweet Memorial Nursing Home	Chinook		27,200		27,200
(40 Beds) Teton Nursing Home	Choteau	1,000	32,000		33,000
(22 Beds) Glacier Rest Home	Cut Bank	2,000	17,600		19,600
(54 Beds) Parkview Acres Conv. and Nursing Home, Inc.	Dillon		43,200		43,200
(49 Beds) McAuley Nursing Home	Great Falls		20,000	$ 60,000	80,000

Fa lity (Beds)	Location	Life Safety Code	Sprinkler System	Replacement	Total
(65 Beds) Park Place Nursing Home and Rehab. Center	Great Falls		$ 52,000		$ 52,000
(98 Beds) Valley View Estates Nursing Home	Hamilton	$ 5,000	78,400		83,400
(67 Beds) Harlem Rest Home	Harlem		53,600		53,600
(89 Beds) Immanuel Lutheran Home	Kalispell	6,000	71,200		77,200
(29 Beds) Laurel Nursing Home	Laurel	1,000	33,200		34,200
(146 Beds) Montana Center for the Aged	Lewistown		116,800		116,800
(96 Beds) Va : Vista Manor	Lewistown	1,000	76,800		77,800
(73 Beds) Friendship Manor	Livingston		58,400		58,400
(121 Beds) Custer Co. Rest Home	Miles City	5,000	96,800		101,800
(51 Beds) Royal Manor	Missoula	2,500	40,800		43,300
(43 Beds) Wayside	Missoula	2,500	34,400		36,900
(39 Beds) Daniels Memorial Nursing Home	Scobey	10,000	31,200		41,200
(39 Beds) Madison Co. Nursing Home	Sheridan	5,000	31,200		36,200
(64 Beds) Richland Homes, Inc.	Sidney	1,000	51,200		52,200
, Beds		$ 57,000	$1,417,000	$ 60,000	$1,534,000

(Cost estimate $800 per bed for sprinkler)

MONTANA STATE DEPARTMENT OF HEALTH
AND
ENVIRONMENTAL SCIENCES

March 6, 1973

COMMUNITY	TOTAL PROJECT COST
Anaconda	$ 1,104,000
Bearcreek	30,000
Bigfork	50,000
Bozeman	500,000
Butte	404,000
Clyde Park	80,000
Dillon	150,000
East Glacier	300,000
Ennis	50,000
Flaxville	40,000
Forsyth	40,000
Fromberg	30,000
Gallatin Co. RID	450,000
Great Falls	4,000,000
Hamilton	828,000
Hardin	139,000
Helena	500,000
Lewistown	550,000
Livingston	1,500,000
Missoula	202,000
Miles City	150,000
Poplar	102,000
St. Ignatius	160,000
Three Forks	340,000
Townsend	400,000
Whitefish	1,154,000
	$13,253,000

75 percent = $ 9,940,000

APPLICATIONS TO NATIONAL INSTITUTE OF ALCOHOL ABUSE & ALCOHOLISM

CURRENTLY APPROVED BUT UNFUNDED, PENDING, UNDER REVIEW,

OR SUBMITTED BUT NOT REVIEWED

Rimrock Guidance Foundation
804 North 29th Street
Billings, Montana 59103
Mrs. Elynore O'Brien, Director
Initiation and Development Proposal
Submitted 6/1/72, project dates 1/1/73 - 12/31/73
1 D20 AA001139-01 Approved but unfunded
Amount Requested...$50,000

Wamb-Di Indian Club
Eastern Montana College
Billings, Montana 59103
Dwight A. Billedeaux, Director
Special Project Grant Request
Submitted 7/6/72, project dates 1/1/73 - 12/31/73
1 R18 AA00032-01 Status--not approved, not funded
Amount Requested...$137,876

North American Indian Alliance
72 East Park Plaza
Butte, Montana 59701
Mrs. Michele Robinson, Director
Special Project Grant Request
Submitted 10/26/72, project dates 6/1/73 - 5/31/76
1 R18 AA00746-01
Amount Requested...$85,316

Warm Springs State Hospital
Alcohol Treatment Center
Warm Springs, Montana
Edward W. Gendle, Program Director
Alcoholism Counselor Training & Certification Program
Submitted 1/26/73, project dates 9/1/73 - 6/30/76
Amount Requested Yr. 01....$189,842
" 02.... 285,716
" 03.... 232,097
$707,655.........................$707,655

DHES/ADDB - 3/6/73

North Central Alcoholism Services
1020 Assiniboine Avenue
Havre, Montana
Thomas Demopoulos, Chairman
Demonstration Grant "North Central Alcoholism Services"
Submitted 1/31/73, project dates 2/1/73 - 2/1/76
Amount Requested Yr. 01 $557,197
Full Project.............................$1,819,196

Confederated Salish & Kootenai Tribes
Dixon Sub Agency
Dixon, Montana
Harold W. Mitchell, Jr., Tribal Chairman
Comprehensive Alcoholism Services
Submitted 7/1/72 - original
11/6/72 - revised
Project dates 1/1/73 - 12/31/76
Amount Requested..$91,016

Dawson College
300 College Drive
Glendive, Montana
James Hoffman, President
Eastern Montana Alcohol Education Training Program
Submitted 1/31/73, project dates dependent upon funding date
Amount Requested..$8,179

TOTAL.......................$2,899,238

MOUNTAIN STATES REGIONAL
MEDICAL PROGRAM

MONTANA DIVISION
MOUNTAIN STATES REGIONAL MEDICAL PROGRAM
P. O. BOX 2829, GREAT FALLS, MONTANA 59403
TELEPHONE: (406) 453-1491

March 7, 1973

Mr. Dan Newman, Director
State Economic Opportunity Office
1230 11th Avenue
Helena, Montana 59601

Dear Mr. Newman:

I am sorry that it will be impossible for me or any member of my staff to attend next Monday's meeting in Helena. Previous, important commitments that cannot be altered make it impossible for the Regional Medical Program to be present.

Enclosed you will find data sheets that we have developed within the last month to indicate the impact of the Regional Medical Program activity not only in Montana but in our entire four-state region of Idaho, Nevada, Wyoming, and Montana. The blue sheets are descriptive of activities that have gone on in Montana alone. The white sheets refer to the entire four-state region but I have indicated on them in red those portions that do reflect Montana activities. These are all summarized to a certain degree in the blue sheet entitled "Program Efforts in Montana". I hope that these data sheets will be of some help to you in compiling an impact report on our state.

Yours very truly,

SC Pratt

S. C. Pratt, M.D.
Montana State Director

SCP:nw

Enclosures

CANCER

1969-72 $ 65,000 — Rocky Mountain States Cooperative Tumor Registry -- Over 7,000 patients registered and followed.

CORONARY CARE TRAINING

1968-73 $679,785 — Coronary Care Training -- 314 nurses trained, 243 physicians trained and 40 Anesthesiologists trained; Over 60 hospitals participating.

MONTANA MEDICAL EDUCATION AND RESEARCH FOUNDATION

1969-72 $250,560 — Montana Medical Education and Research Foundation -- 152 programs, Over 5,700 participants.

CONTINUING EDUCATION FOR NURSING

1971-73 $113,384 — Continuing Education for Nursing - Montana -- Over 200 participants.

1973-74 $ 46,854 — Continuing Education for Nursing - Montana -- proposal for continuing the project.

NEW MANPOWER

1972-73 $ 15,500 — SOS Health Center -- Established.

1972-73 $ 6,230 — Public Health Nurse - M.D. Team -- Established.

1972-74 $157,064 — New Manpower for the Mountain States Region -- Roughly one-quarter of funds for Montana effort; Working in three communities to place Nurse Practitioner. Nurse Practitioner Program - Montana State University.

REGIONAL HEALTH TRAINING NETWORKS

1972-73 $ 25,250 — Regional Health Training Networks -- Developmental funds.

1973-74 $137,035 — Regional Health Training Networks -- A portion of proposal for Montana effort.

MONTANA EMERGENCY MEDICAL SERVICE

1972-73 $ 50,000 — Montana Emergency Medical Service -- Planning funds for statewide plan.

1973-74 $107,347 — Montana Emergency Medical Service -- Proposal to implement plan.

NEONATAL INTENSIVE CARE

1972-73 $ 19,800 — Neonatal Intensive Care -- Developmental funds.

1973-74 $205,005 — Neonatal Intensive Care -- One-third of proposal for Montana effort.

MONTANA LABORATORY PROFICIENCY STUDY

1972-73 $ 5,000 — Montana Laboratory Proficiency Study -- Funds for development of program.

MSRMP PROGRAM STAFF

1969-73 $460,000 — MSRMP Program Staff - Montana -- Workshops and conferences on heart disease, pulmonary disease, health careers recruitment, cooperative planning, medical libraries, medical learning centers, cancer, venereal disease, stroke rehabilitation, ambulance driving, and other current health problems; Over 1,500 health oriented persons participated

MOUNTAIN STATES

REGIONAL MEDICAL PROGRAM

CANCER IN MONTANA

The Mountain States RMP has spent over $70,000 since 1967 in programs to alleviate suffering from cancer in Montana. The programs have been aimed at prevention, early detection and treatment of cancer among Montana residents.

--- Over $65,000 in funding support enabled the Rocky Mountain States Cooperative Tumor Registry to establish a Tumor Registry in Montana. Through this Registry, over 7,000 people in Montana have been registered and followed after treatment. This Registry soon indicated that more effort was needed to detect cancers at an earlier stage of development.

--- Seven seminars in the latest techniques of cancer management were presented throughout the State to over 200 health professionals providing cancer care to the estimated 6,000 new cancer patients annually diagnosed in the State.

--- Annual follow-up studies in 1968 revealed that 57 percent of registered cancer patients had survived that year, 37 percent had died, and 6 percent were lost to follow-up. Similar studies in 1971 revealed 86 percent survivors, 13 percent mortality and 1 percent unable to be traced.

--- While an improved data collection effort biases these statistics, Mountain States RMP can claim partial credit for programs which have contributed to this apparent decrease in cancer mortality.

1/30/73

MOUNTAIN STATES
REGIONAL MEDICAL PROGRAM

EMERGENCY MEDICAL SERVICES

Idaho, Montana
Nevada, Wyoming

The lack of Emergency Medical Services is one of the Region's greatest health problems. In 1971, there were 1,994 deaths from all types of accidents. Statewide plans are now being organized to reduce morbidity and mortality from accidents and trauma.

--- Three planning grants totaling $166,000 have been awarded to the states of Idaho, Montana, and Nevada for the development of comprehensive statewide EMS plans.

--- In the isolated, rugged Stanley Basin of Idaho--where 600,000 tourists visit each year--there were no medical personnel within a 90 mile radius. The nearest ambulance service was more than 50 miles away. Mountain States RMP supported the training of a nurse who is now skilled in EMS. She serves as first contact point for accident victims in the Stanley Basin. Fifteen volunteer Emergency Medical Technicians have been trained to man the area's "new" used ambulance. RMP investment, $1,800.

--- Six Wyoming residents attended a faculty training school to prepare ambulance drivers to handle emergency vehicles safely. They will hold six seminars for 100 ambulance drivers. In 1971, there were 92 accidents in Wyoming involving emergency vehicles with twelve additional injuries. Total cost: $3,461, Mountain States and $1,152, Colorado-Wyoming RMP.

--- A Nevada physician formed the Professional Rescue Instructors of Nevada (PRIN). With planning and financial assistance and equipment purchases of some $3,611 from Mountain States RMP, the PRIN instructors have trained several hundred volunteer ambulance drivers, policemen, firemen and emergency room personnel in an intensive eighty-hour course to raise the standards of care received by accident victims and emergency patients in Nevada.

--- A "2-day Emergency Medical Technician" training course was held in Great Falls, Montana for 26 tribal policy and ambulance drivers representing ten reservations in Montana, Wyoming and Utah.

--- The MAST program in Idaho (Mountain Home Air Force Base) has provided helicopter service for over thirty rescue missions in the last two years. Mountain States RMP was active in the development.

--- 135 emergency room nurses from sixteen rural hospital emergency rooms in Nevada were trained during 1971-72.

--- The Mountain States RMP coordinated a program on the "Legal Aspects of Emergency Treatment Care" in Bozeman, Montana, for 98 participants.

2/15/73

MOUNTAIN STATES
REGIONAL MEDICAL PROGRAM
Idaho, Montana
Nevada, Wyoming

STROKE

For the stroke patient, the difference between total lack of productivity and near total recovery and self-sufficiency depends on early diagnosis and immediate post-stroke treatment and rehabilitation. These facts are directly reflected in the programs Mountain States RMP has supported.

--- "Stroke, Practical Aspects to Diagnosis and Therapy," a continuing education course for physicians in the most current approach to dealing with stroke problems.

--- Stroke rehabilitation workshop sponsored by Mountain States RMP, Idaho Department of Health and the Idaho Heart Association with the assistance of Washington/Alaska RMP. A faculty of 16, representative of a complete stroke team, directed registered nurses and licensed practical nurses in practical sessions.

--- Mountain States RMP has been instrumental in convening Stroke Councils to assist in dissemination and updating of treatment information. The Ada County (Idaho) Stroke Council was a result of a meeting attended by 33 physicians, nurses, hospital and nursing home administrators, and physical therapists.

--- "Treatment of the Stroke Victim" for physicians.

--- "Montana Practical Nurses Rehabilitation Seminar" was offered in three different locations to 306 participants.

--- "Wyoming Stroke Rehabilitation Program," a four-day intensive workshop for health care providers.

MONTANA

--- "Skill Development in Rehabilitative Nursing" - 33 nurses attended two phases of this workshop and returned to their individual areas to serve as resource for other professionals. $1,500 was used for video tapes which are still being used for workshops in hospitals and nursing homes.

--- "Delivery of Rehabilitative Services" attended by 97 professionals primarily involved in physio therapy for post-stroke, diabetic amputees, etc. Cost to Mountain States RMP, $1,346.

MONTANA

--- "Guiding the Adult Patient with Aphasia," for physicians and nurses. Attended by 21 professionals at a cost to Mountain States RMP of $585.

--- Mountain States RMP/Idaho and the Idaho Heart Association conducted a public education program in atheroschlerosis. Literature was displayed at the Southwestern Idaho State Fair attended by 80,000 people. This literature was also distributed to hospitals and physicians offices to be available to patients. Cost to MSRMP, $250, plus services of volunteers.

1/30/73

MOUNTAIN STATES
REGIONAL MEDICAL PROGRAM
Idaho, Montana
Nevada, Wyoming

DIABETES

The Mountain States RMP has initiated and supported projects in diabetes ranging over the entire spectrum of the disease from educating school teachers in dealing with diabetic children through self-care of the diabetic to the rehabilitation of the diabetic amputee.

--- Many workshops and seminars dealing directly with juvenile and adult diabetics, as well as their families, have had great impact on the self-care of this disease, as well as the reduction of complications of diabetes.

--- "Diabetic Summer Youth Camp" in YMCA setting where children are taught living normally with diabetes. Pilot program involving 20 diabetic children at a cost of $380 to Mountain States RMP, now continuing self-supporting on a yearly basis.

MONTANA

--- Public Seminar "What is New in Diabetes," for 150 lay people at a cost to RMP of less than $50 for printing, in addition to services of volunteers.

MONTANA

--- Diabetes workshops attended by 120 diabetics and their families where teams of physicians, nurses and dietiticians discussed the nature of the disease, insulin technique and equipment, diabetic diets and urine testing. Cost to Mountain States RMP, $1,350.

--- Educational programs for school teachers, physicians, nurses, nutritionists and rehabilitation specialists has had immeasurable return in upgrading care of the diabetic.

--- "What the teacher should know about Diabetes" guides the school teacher in dealing with diabetic children as well as their parents. A comprehensive, concise publication dealing with daily routine as well as emergencies distributed in Montana by Mountain States RMP.

MONTANA

--- "A practical nurse workshop on nursing care for the diabetic patient." 250 trainees over a three-year period benefitting 3,000 people. Cost to Mountain States RMP, $2,200.

MONTANA

--- Continuing education courses and seminars for physicians concerning most current concepts in diabetes affecting hundreds of physicians and thousands of patients.

--- Seminars and symposia for nutritionists and dietiticians regarding diabetes, general nutrition and dietetics in cardiovascular disease. Various symposia for 130 participants at a cost of $1,400 to Mountain States RMP.

MONTANA

--- MSRMP/Montana Division was responsible for convening the Montana Diabetes Association at a cost of $500.

MONTANA

MOUNTAIN STATES
REGIONAL MEDICAL PROGRAM

CORONARY CARE

Idaho, Montana
Nevada, Wyoming

Prior to 1967, no intensive coronary care units were fully operational in hospitals in the Mountain States Region. By 1973, at least 126 coronary care units were functioning. They are staffed by trained nurse-physician teams. They use standard, recommended treatment techniques and equipment of the highest possible quality.

Chances for survival of heart attack victims are increased by at least one third if the patient is cared for in an intensive coronary care unit. Translated to persons who suffer heart attacks in the Region, a conservative estimate of 1,500 additional persons would have survived heart attacks if the situation had been the same in 1967 as it is now.

While Mountain States RMP cannot claim full credit for the significant improvement in survival chances, a substantial percentage was a direct effect of MSRMP programs described below.

0 % of coronary training was done by RMP in Montana

--- Between 1968 and 1972, MSRMP invested more than $800,000 for in-depth coronary care training for 279 physicians (1,395 man days), 622 nurses (13,062 man days) and 40 anesthesiologists (160 man days).

Conservatively, these health professionals provided advanced and sophisticated care for over 14,000 heart attack victims in this same time period. Availability of well-trained providers increased significantly.

--- 71 seminars and workshops, reaching 735 persons, have extended knowledge to public and providers about how to use this advanced medical capability.

Refresher workshops have ensured up-to-date knowledge and skills for 548 nurses and physicians in coronary care units.

--- A sophisticated multimedia teaching program was circulated to nursing staffs of coronary care units in rural, isolated hospitals. 460 nurses in 23 rural hospitals have achieved a minimum level of competency in advanced techniques. MSRMP cost: $11 per person.

--- There is strong, suggestive evidence of direct benefits to Regional heart attack victims:

--- Prior to the in-depth training in Montana, only 5 of 45 patients (11%) survived a recognized condition of "ventricular standstill," whereas three years later 8 out of 30 (27%) survived. A leading Regional cardiologist commented, "Someone should be proud of their prompt response to this (cardiovascular) catastrophe."

--- Mortality from cardiogenic shock--88% in previous years--was reduced to 68% by 1971. Although the reduction was not statistically significant, the trend was positive.

1/30/73
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MOUNTAIN STATES
REGIONAL MEDICAL PROGRAM
Idaho, Montana
Nevada, Wyoming

DEVELOPMENT OF COOPERATIVE RELATIONSHIPS

An important mission of Mountain States RMP has been improved health care services at a lower cost through development of cooperative relationships that share services between hospitals and other groups.

--- Four large Idaho hospitals and the Idaho Heart Association formed a consortium to train coronary care nurses. RMP investment, $44,000 ; other hospitals and the Idaho Heart Association, $27,000. An estimated 1,447 patients have received care from these nurses during 1972.

--- An umbrella organization with representatives of 72 major health organizations guides the Treasure Valley Area Health Education Center. With financial support from the Veterans Administration and the Mountain States RMP since July, 1972:

--- A family practice residency program is planned in cooperation with the University of Washington, Seattle.

--- A cooperative arrangement between the College of Idaho, the Northwest Nazarene College and Boise State College has been developed which will systematize continuing, basic and clinical education programs for medical technologists.

--- Six states including the "Mountain States," Idaho, Montana, Nevada and Wyoming areas have formed a Rocky Mountain States Cooperative Tumor Registry, representing the nation's largest geographic area registry. Three of the four Mountain States RMP states are continuing statewide registries.

Montana

--- The Montana Medical Education and Research Foundation (MMERF) has coordinated all types of health profession continuing education programs throughout the state. It has a self-supporting base for continuing education. MMERF has provided 27,000 training mandays for 9,000 health professionals.

2 in Montana – Illinois & Missouri

--- Health Training Networks are being established in all four states. Universities, hospitals and consumer groups are brought together to share common goals, resources and technology in training needs.

--- The high-risk mother and newborn infant will have improved access to Neonatal Intensive Care Centers being established in Billings, Boise and Reno. Transportation, referral systems, consumer and provider education programs are being developed. Initial RMP funding $26,000 ; projected 1973-74, $205,000.

1/30/73

MOUNTAIN STATES
REGIONAL MEDICAL PROGRAM
Idaho, Montana
Nevada, Wyoming

HEALTH NEEDS OF THE AGED

In addition to the heart disease, cancer, stroke and kidney disease programs which have benefitted countless elderly people, Mountain States RMP has been active in programs to meet the health needs of the elderly:

--- Mountain States RMP was instrumental in bringing together representatives from various agencies and associations having an interest in Nursing Home Care in Idaho. A permanent committee was organized and is now scheduling regular meetings to develop statewide, comprehensive plans for meeting nursing home needs. This will provide a program that will involve the nursing homes and their communities in an attempt to create attitudinal change and improved care of the aged through various educational projects.

ONTANA

--- Stroke rehabilitation programs have provided training for over 500 registered nurses, licensed practical nurses and physical therapists who work in nursing homes, hospitals and rehabilitation programs.

MONTANA

--- Reconstructive hip surgery seminars, treatment of the chronically ill workshops and seminars, and workshops in "Lifting and Moving Patients" have reached over 375 health care providers.

IN ONTANA

--- Seminars on "Death and Dying" for over 4,500 persons.

--- A demonstration project for Home Health care in a rural area in which 22% of the target population is over 55 years of age. It is anticipated that 70% of the patient visits will be to the elderly. $6,000 is expected to be used by Mountain States RMP. A similar project is being developed for another rural area.

--- Dental hygiene projects have resulted in continuing programs of dental examinations, cleaning, and referral of patients in nursing homes and hospitals. The programs have reached more than 550 patients. The investment by Mountain States RMP in initiating the program, $5,827.

--- Cooperated with other organizations in developing a state program for licensure of nursing home administrators in Montana.

MOUNTAIN STATES
REGIONAL MEDICAL PROGRAM
Idaho, Montana
Nevada, Wyoming

MINORITY HEALTH NEEDS

Most of the 72,000 resident Chicanos in the Mountain States Region live in the Snake River Plain in Idaho and the agricultural areas of the other three states. An additional 20-30,000 migrant farm workers, predominantly Chicano, move into these areas for harvest season. There are 47,000 American Indians in the Region.

Recent MSRMP accomplishments directed at unmet minority health needs in the Region include:

--- Staff assistance and support in securing a grant for "Community Health Clinics" for $270,000 . The rural clinics in southwest Idaho have provided medical service in over 10,000 patient visits in the 8-month period ending January, 1973.

--- Arranged attendance of a local, influential physician at a national "Cultural Awareness" conference. The physician returned with fresh insight into the unique needs of persons of Chicano background.

--- He extended his experience by organizing a physician Chicano awareness conference that was well received in his hometown--a center of the Chicano population.

--- Addition of a full-time RMP staff member, fluent in Spanish, to provide staff leadership for improved liaison with Chicanos and Indians.

--- Working with local hospitals, Mountain States RMP took leadership in organizing a practical conversational Spanish and culture awareness class for local nurses and physicians. Over 100 persons applied for the 45 vacancies in the first class. The Idaho State Department of Education plans to extend this prototype class throughout the area where approximately 1/3 of the Chicano patient population is monolingual in Spanish. Total cost of program development, demonstration and evaluation, $6,400. A similar project is being developed in Nevada.

--- Sponsored a dental hygiene project using advanced students from dental hygiene schools. This project developed into an on-going program which includes dental examination of approximately 375 Indians each year.

Montana --- Sponsored and participated in "upward-bound" programs at four different sites where 210 interested high school age Indian students and counselors learned about health careers. Mountain States RMP investment, $10,000.

Montana --- Sponsored clinics to help 36 Indian Health Service Physicians and nurses improve their care of pulmonary tuberculosis and other respiratory diseases, $441.

Montana --- Sponsored program of "Emergency Care and Transportation of the Sick and Injured" for 26 Indian policemen and ambulance drivers from seven different reservations, $730.

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STATE OF MONTANA

SOCIAL AND REHABILITATION SERVICES

STATE OF MONTANA
SOCIAL AND REHABILITATION SERVICES

The Big Sky Country

Helena, Montana 59601

Thomas L. Judge
Governor

THEODORE CARKULIS,
Director

DIRECTOR'S OFFICE
P O Box 1723

March 13, 1973

Administrator
Social and Rehabilitation Services
Dept. of Health, Education & Welfare
330 Independence Avenue, S.W.
Washington, D.C. 20201

Dear Sir:

This letter is to formally outline Montana's position on the proposed S.R.S. regulations referred to as Part 221 as published on Feb. 16, 1973.

Before going into the details of the regulations I wish to point out that it is my feeling that this is the harshest attack which has been made on Montana's social service program since its inception over 30 years ago. If these regulations stand as they are proposed many of our excellent community service programs will be gutted while many others will be so tightly restricted that the benefits will be minimal.

These proposed regulations represent a return to the philosophy of the survival of the fittest. The limitations will assure that those people receiving welfare benefits will in all likelihood continue to receive them because the regulations do not allow a maximum effort to be made to alleviate the conditions which force them to receive assistance. The regulations will also assure that many of those who could be assisted as former and potential clients under current regulations and kept from becoming a part of the assistance roles will not be assisted under the new regulations and will come in greater numbers to receive assistance payments thereby expanding the amount of public funds necessary for public assistance payments.

The new regulations are short-sighted, for, in their fervor to reduce current expenditures, they will most certainly guarantee increased future spending for public assistance payments. The dollars involved may well balance out in the end but the intolerable injustice to individual Americans whose lives are and could be made more productive under current regulations and who will be forced to seek public assistance instead of help to keep them off the public roles will be public shame. The proposed regulations say to Montanans as well as to the whole nation that dollars are more important than human lives.

<u>221.2 b</u>. The thrust of the current regulation is to encourage citizen participation in the full scope of social services. This section deletes that mandate for citizen participation in all areas of social services except day care. We favor the current regulations.

221.2 c. Deletes the mandatory requirements for a formal fair hearings system and replaces it with a vaguely required grievance system leaving open to the states the possibility of gravely curtailing the consumer's access to protest the actions of the system. We support a mandatory formalized fair hearings system.

221.5 This section does away with a minimum level of required services to adults to be provided by the states which would allow states to totally drop their adult service programs if they so desired. It also severely limits the mandatory service base for family and children services allowing the states to drastically cut back services available to families and children. The current regulations provide for at least a minimal base of services for all those receiving services in every state. The new regulations will allow the states to drop or add services as they wish with the potential for considerably greater inequities among the states than exists under the current regulations. We favor not a cutting back of mandatory services but an increase in the mandatory service areas for both family and children and adult groups in order to decrease the inequities in services offered among the various states.

Three services which are very important to Montana have been completely alienated and are not allowed even optionally under the proposed regulations. The three services are information and referral services, the heart of any social services program if use is to be made of related services provided by other agencies mentioned in 221.3 as being desirable; community organization services which allows the development of community wide planning to alleviate current problems and to minimize future ones; and legal services which provide a legitimate avenue of redress for welfare recipients and encourages using the system rather than destroying it. (See enclosure).

The proposed regulations allow only services related to individuals with problems, allowing no preventive services to be provided on a community basis. This will necessitate the dismantling of some very significant Montana programs such as our support of the effort of community coordinated child care and the efforts of the Montana Advisory Council on Children and Youth. We strongly favor the continuation of SRS support for information and referral, community organization, and legal services.

221.6 Here again the new regulations make it plainly clear that services to be provided will in no way be of a preventive nature but will focus only on crisis intervention after people have developed problems which make their lives unmanageable. This is short-sighted and primitive. It states that only those people who have made a mess of their lives will receive any help. It does not allow our agency to provide help to individuals who are faced with problems which will force them to receive public assistance and who, if they received social services before the problems created a crisis situation, would not have to turn to public assistance.

Specifically this section reduces the time periods for eligibility for services for former recipients of assistance from two years to three months and the period for potential recipients from five years to six months. These reductions are harsh and arbitrary. They are also ludicrous when you examine the fact that one of the few mandatory services we must provide is family planning. However, how can we provide these services to potential recipients only if they are likely to receive public assistance within six months. The obvious facts of life are that for sexually active females to be helped with family planning the services should be available prior to pregnancy and since the normal gestation period is nine months, we would not be able to offer these potential recipients family planning services until they were three months pregnant at which time the offer of family planning services would be absurd. However, we believe that if a reduction in these time periods is necessary that former be reduced to one year and potential to two years thus allowing a more realistic time limitation to either offering services or continuing them. We do favor the retention of the time periods as they are.

Also under this section services will be limited to families and individuals who do not have income exceeding 133 1/3% of the state's financial assistance payment level. This again will allow a wide disparity in the type of individuals who can receive services from state to state. The individuals eligible to receive services will be different in every state. Montana believes social services should be available to all income levels because having money does not guarantee that the individual will not have problems which could be dealt with under social services as we have proved in our national demonstration project funded under title 1115 commonly referred to as "The Glasgow Project". All citizens contribute their tax dollars to pay for social service programs and it is our contention that all citizens should be eligible to benefit from those contributions. People receiving public assistance will have services provided and the very rich can afford to purchase social services while the middle income American is left out in the cold.

221.7 This proposal provides for a good deal of unnecessary harassment of both the social worker and the client. The requirements around eligibility determination and redetermination and assessments are very rigid and largely unnecessary. For example, there is a requirement for a six month assessment of effectiveness of services and progress toward goals. Service plans are now based on assessments at reasonable intervals and we can see no reason for assessing cases at intervals other than those dictated by the case plan; e.g. a long term day care case would have to be assessed every six months although there is no indication for a change in the case plan for a long period of time. Homemaker service cases are often similar. The assessment should be based on the duration of the service and not on an arbitrary time period. There is also a

requirement for a written authorization every six months when service is provided by another agency where it would make sense that the authorization should be for the length of the service. This section seems to glorify paper shuffling and ignore the realities involved in providing services based on individual service plans. We believe the current regulations are far superior to those proposed.

221.8 Under this proposal only two goals are recognized as being valid if services are to be provided to an individual. The two goals are self-support and self-sufficiency. If these two goals are rigidly defined and adhered to it could mean that social services would not be available to certain groups of people who desperately need them such as those aged and severely disabled placed in nursing homes who will never again be self-supporting or self-sufficient. This section clearly implies an abandonment of these types of people. It says to that once people have reached this point they should no longer be considered human beings worthy of social services. If this section--which will deny those people living in nursing homes and others similarly situated services,--is allowed to stand it will be very destructive. This section needs to be expanded to allow the delivery of social services to those individuals referred to in the preceding lines.

221.9 The key clause within this definitions section is "at no cost to the agency" which applies to educational services and employment services (non-WIN under Title IV-A and for the blind and disabled). This clause effectively eliminates the possibility of SRS participation in providing these services which are especially geared to the individual unless another agency is willing to foot the bill for them. It must be recognized that other agencies have extremely tight budgets not allowing for many kinds of individual programs which public assistance beneficiaries need. This clause even goes so far as to eliminate the possibility of one SRS component like social services to purchase necessary services from another SRS component like vocational rehabilitation. This limitation means that even if our clients need educational or employment services and they can't be obtained free from another agency then that is too bad because we will not be allowed to purchase them. This limitation should be lifted. It is not realistic.

Foster care services for children should not be limited to the placement of a child as a result of a judicial determination. For a truly adequate program, one would hope to provide such services to prevent a child's removal from the home by judicial determination. Again services should be preventive.

221.30 With regard to this section dealing with purchase of services the states have already had a ceiling placed on the amount of federal dollars available to them through Congressional action. This section is apparently designed to make certain that the states will not be allowed to use even those limited funds available. One of the most glaring limitations and

outright moves to severely cut back purchase of service capabilities is the requirement that the state or local SRS agency must determine the eligibility if an individual is to obtain the purchased services such as family planning or special services for the developmentally disabled. This is a needless bureaucratic requirement. We should be allowed to either certify within well-defined boundaries certain groups of people who will be eligible for these services and allow the agency delivering the services to determine if the individual falls within those guidelines. This detaches the very real stigma of having to go to a "welfare" office for eligibility determination and makes it far easier for the individual to receive the needed services by eliminating one extra step or "roadblock" in the process. Allowing the other agency from which services are purchased to determine eligibility within our definitions is working very well currently and this new regulation questions both their competency and integrity.

221.52 and 221.53 The changes under federal financial participation that are most disturbing are: (1) requiring that SRS use licensed day care facilities and do the licensing of such facilities, yet the federal government under these proposed regulations will not participate in the costs of issuing the licenses or enforcing the standards. This policy is inconsistent to say the least; (2) similarly the regulations require involvement in providing foster care yet they also declare in this section that payments cannot be made to foster parents. This limitation also rules out the possibility of supporting group homes. This section also drops monies available to support unwed mothers in maternity home facilities and drops monies to purchase services from centers for the mentally disabled children where they are learning socialization, job training, etc., but are required to live at the center. We believe these restrictions should be removed from this section.

221.54 We strongly disagree with the requirement under purchase of services that federal participation will only be available only for those services beyond those represented by fiscal 1972 expenditures of the provider agency. This "new money" requirement penalizes those states such as Montana who have been moving cautiously and with much planning into the purchase of service area. In a state like Montana with high unemployment and a static tax base the expectations for "new money" in any field is totally unrealistic. This requirement should be deleted.

221.55 d. The limitation that not more than 10% of the federal funds available shall be paid with respect to expenditures in providing services to individuals (eligible for services) who are not recipients of aid or assistance destroys the possibility of establishing preventive service programs for Montanans. This requirement also drastically affects Montana's 1115 National Demonstration Project "The Glasgow Project" in that the 10% flexibility available under this proposal would be totally absorbed by our activities on the project which serves only a limited number of Montanans. If this limitation stands and our special 1115 project

is not exempt from it, it will mean in all likelihood that the Glasgow Project would have to be dismantled as it is now constituted or Montana would not be able to deliver services to the 10% in the rest of the state such as those working mothers who receive day care services but who are above the 133 1/3% limitation proposed in another section of these regulations.

221.62 This is the most visibly repugnant of the cutbacks and limitations on social services. One policy of the Nixon administration has been a greater reliance on the private sector for solution to public problems. This section directly contradicts that philosophy by declaring that private funds will not be used as a supporting portion of the state's share in claiming federal reimbursement. If this is allowed to stand as a part of the regulations it will seriously damage Montana's day care programs across the state. It will specifically hurt day care centers on six of Montana's seven Indian reservations if Indian tribal money is considered as private rather than public money. It will destroy day care summer programs and after school day care programs.

This policy is inconsistent with mandatory referrals to work training programs for welfare mothers and with the whole philosophy of putting mothers to work so they don't have to come to the welfare department for assistance. They cannot take jobs unless adequate day care is available and it will not be available with the 133 1/3%, 10% and private monies limitations.

We also protest the complete dropping of the section of services under current regulations which allow us to meet special needs such as delinquency prevention, venereal disease prevention, prevention of out-of-wedlock pregnancy and alienation of youth.

The proposed regulations revoke existing part 220 of the federal register except for said sections. One of the revoked sections 220.63(b) is as follows:

> "(b) Service expenses that jointly benefit Title IV-A and B programs may be allocated between them using any reasonable basis or may be charged entirely to IV-A or B if they are considered to be of primary benefit to such program. The Title IV-A program may be considered to be primarily benefitted if the number of AFDC children served represents at least 85% of the total children served. The 85% computation may be based on local agency totals or on statewide totals."

The omission of this section will be extremely costly to the State of Montana. This particular provision should be reinstated in any new regulations adopted.

Finally we concur with the views expressed in the letter addressed to

you from Alan F. Guttmacher, M.D., President, Planned Parenthood Federation of America,Inc. (see attached) regarding family planning services. There is also enclosed a copy of an impact statement relating to legal services.

We wish to stress the necessity of allowing the states sufficient time to meet any of the program changes mandated by the final adopted set of regulations and for that reason we request that none of these changes be effective until July 1, 1973 at the earliest. If they are effective any earlier they will cause chaos for budgeting and planning and for the individuals who are receiving the services.

Sincerely yours,

SOCIAL AND REHABILITATION SERVICES

Theodore Carkulis

Theodore Carkulis, Director

cc - Governor Thomas L. Judge
Senator Mike Mansfield
Senator Lee Metcalf
Congressman John Melcher
Congressman Dick Shoup
American Public Welfare Assoc.

Enclosures

Text of a Letter to the Administrator of the Social and Rehabilitation Service, Dated February 27, 1973, from Alan F. Guttmacher, M.D., President, Planned Parenthood Federation of America, Inc.

Dear Sir:

On behalf of the Planned Parenthood Federation of America and its 192 affiliates across the country, I am writing to comment adversely on the proposed regulations published in the Federal Register of February 16, 1973 to govern the Title IV-A program of social services for families and children.

In our view, the proposed regulations directly contravene the clear intent of Congress in adopting PL 92-603 that Title IV-A of the Social Security Act become a much more important mechanism for the financing of family planning services for low income persons. The proposed regulations would not only vitiate that intent but would also jeopardize the few family planning programs currently financed through Title IV-A. The regulations make a mockery of the Administration's position, implicit and explicit in the proposed FY 1974 budget, to compensate for the freeze in project grant funds with expanded Federal support through Titles IV-A and XIX.

Until this year, the national family planning program has sustained an average growth rate of 30 percent a year. With continued expansion of Federal support the program could have and would have achieved the national goal announced by the President in 1969 of providing family planning services to all low income women who need and want them by 1975.

Eligibility (Section 221.6)

The new eligibility provisions taken as a whole would, for all practical purposes, eliminate the possibility of using Title IV-A to prevent dependency as intended by Congress.

a) The elimination of geographical or group eligibility would result in the exclusion from access to family planning services of large numbers of individuals who live at the edge of dependency (or on and off welfare). These are the very individuals who can perhaps most benefit by the provision of preventive, timely, family planning services. This is the very group which an enlightened community would be expected to seek to reach.

b) The income limit restricting the eligibility of "potential" recipients to those with incomes below 133 1/3 percent of the current state AFDC payment level means that many individuals classified as "potential" under this definition would actually be eligible as "recipients." This is due to the fact that many states define eligibility for AFDC on the basis of a minimum income level necessary for subsistence but provide payments which are substantially below that state-determined minimum level.

c) Eligibility for financial assistance under AFDC is conditioned upon the presence in the family of a dependent child. In this context, virtually no one could meet the test of eligibility for family planning services as a "potential" recipient under the proposed regulations. These require that a potential recipient have a "problem...susceptible to correction or provision of services and which will lead to dependence on financial assistance...within six months if not corrected."

The proposed, arbitrary six month limitation is obviously inadequate for the purpose of preventing unwanted pregnancy and thereby reducing dependency. A one year time limit, although far too restrictive in our view, would at least be realistic in terms of biological facts.

Certification and Recertification (Section 221.7)

The proposed regulations on certification and recertification, for the first time, make receipt of social and family planning services subject to the same kind of onerous determination procedures which have heretofore been associated only with receipt of financial assistance. They also preclude hope for any substantial utilization of Title IV-A for family planning services.

Family planning services, if they are to prevent unwanted pregnancies and births, must be utilized continuously over an extended period of time. Small variations in income within the year, in a population of generally marginal income, should not affect eligibility for subsidized services. The process of frequent certification is, by itself, considerably more costly to administer than the small savings which would result from the repeated eligibility determinations. The need for quarterly and semi-annual recertification of need and/or eligibility for family planning services creates one of the most effective disincentives to the use of this preventive health service which could ever be designed.

Individual Service Plans (Section 221.8)

The requirement that anyone receiving services must have a written service plan prepared prior to receiving service will likewise militate against the delivery of family planning services through Title IV-A.

We question whether this requirement is operationally feasible even for current recipients, given the number of recipients involved, the relatively rapid turnover in caseload and even more rapid turnover of welfare staff. It certainly would be extremely costly. Whether or not this procedure is feasible, and fiscally rational, for current recipients who are already in contact with the local welfare departments, it does not seem to be operationally possible for all the potential recipients who are not in contact with welfare departments.

In order to comply, a potential recipient seeking family planning services would first have to apply to the welfare department and have a case file established in the same way that would be required if he or she were applying for financial assistance; then a caseworker would have to assess the person's circumstances to determine if family planning services would be an appropriate part of an overall social services plan to assist the individual in maintaining self-support and self-sufficiency; and only then could the individual proceed to secure the desired family planning services. The procedure would be so lengthy as virtually to guarantee that the individual would become pregnant while the determination was taking place. It would be so costly as to dwarf the cost of providing the family planning services sought. Finally, few health and family planning agencies would tolerate the fundamental disruption of their programs which would be caused by these procedures.

Based on more than a half century of experience in operating family planning services for low income persons, we believe such a procedure would be absurd and demeaning. It would represent a gross invasion of privacy. The need for family planning services should be considered self-evident and the client's request should be considered the only valid and necessary justification.

Matching Funds (Sections 221.62 and 221.54)

The provisions on matching, taken as a whole, would also preclude any substantial use of Title IV-A to finance family planning services.

Both the elimination of the opportunity to use privately donated funds and the requirement that the states appropriate new funds to match Federal dollars

appear clearly intended to curtail Federal expenditures by making it nearly impossible for the states and localities to provide the necessary matching funds. The elimination of donated funds as a source of matching would force the dismantling of local social services programs already in existence, leaving thousands upon thousands of families without day care and other services necessary to employment and financial self-sufficiency.

Availability of Other "Free" Services (Section 221.30 (a)(3))

The provision that services may be purchased under Title IV-A only "if such services are not available without cost" can easily be interpreted in such a way as to discourage local communities from purchasing services which are required by law to be made available to all eligible persons.

This is so because some family planning services are available without cost in about two-thirds of U.S. counties, though they are not available anywhere in sufficient supply to meet local needs. The stated purpose and intent of the Congressional action on family planning in PL 92-603 was precisely to utilize Titles IV-A and XIX so as to increase the supply of family planning services. This provision directly contravenes that intent.

Finally, we must question the rationale behind the elimination of several of the provisions of the 1968 regulations regarding family planning. We believe that it is essential that all individuals be "assured choice of method" and "choice of service" in accordance with their personal preferences, convictions and beliefs, that Title IV-A services be provided under medical standards consistent with those of the Federally supported project grant programs, and, finally, that the language regarding social eligibility characteristics make explicit that there will be no discrimination based on race, religion, national origin, marital, maternity or parenthood status, age or sex. These regulations also completely ignore the penalty provision contained in Section 299 E of PL 92-603 under which state welfare departments will suffer a one percent reduction in the Federal share of their AFDC payments if they fail to offer and provide family planning services promptly to all AFDC applicants and recipients who request these services.

We are deeply concerned with the implications of the proposed regulations which we believe will have a particularly negative impact on the provision of family planning services. They would negate much of what has been accomplished to date and preclude the kind of service expansion which was clearly intended by Congress in the 1972 Social Security Amendments.

MONTANA LEGAL SERVICES ASSOCIATION
TELEPHONE (406) 442 9830
601 POWER BLOCK
HELENA, MONTANA 59601

NEY REAGAN
CTOR

March 7, 1973

MAR 9 1973

Mr. Ted Carkulis
Welfare Department
515 N. Ewing
Helena, Montana 59601

Dear Ted:

Reference is made to the intent of HEW to effect a rule change in 45 CFR 221 which would eliminate Legal Services from the Social Services Program.

Enclosed please find an Impact Statement outlining the effect of such a change on the indigent people of Montana. It is hoped you share these views and will use them to object strenuously to any elimination of Legal Services.

Your assistance in this matter will be very much appreciated.

Sincerely,

NEIL HAIGHT
Acting Director

NH/bg

Encl: a/s

MONTANA LEGAL SERVICES ASSOCIATION
TELEPHONE (406) 442-9830
601 POWER BLOCK
HELENA, MONTANA 59601

..RNEY REAGAN
IRECTOR

IMPACT STATEMENT

The elimination of Legal Services as an optional service within the framework of the present HEW welfare system would have a profound impact on the indigent in Montana.

The Montana Legal Services Program is now a centralized, integrated, state-wide program funded through grants from both HEW and OEO.

The HEW portion of the program covers 40% of the population and 60% of the geographical area of the State. It is essentially concentrated in the rural and farming areas of the State.

The OEO portion of the program covers the remaining population and area of the State. It is essentially concentrated in the cities and urbanized areas.

Thus, it can be seen that the elimination of the HEW program would badly fragment the overall Montana program, require the withdrawal of services from almost half of the population and discriminate against individuals living in rural areas.

The slim resources in the OEO program cannot be reorganized or redistributed or extended to cover the massive gap which would result from termination of the HEW segment. This is because the state is too large and

the population is too dispersed to make such a step possible.

The Montana HEW Legal Services Program was established in 1969 and is possibly the oldest and most firmly established program created under the philosophy and concepts of DHEW State Letter 1053, dated November 1968.

The program is sponsored and endorsed by the Montana Bar Association; is well received by the public; enjoys the active support of government at all levels, including the congressional delegation in Washington; and performs a vital and necessary function in alleviating the problems of the poor in Montana. It is the <u>only</u> existing legal program through which the poor can gain ready access to the legal system; acquire redress for recognized grievances; and solve incipient individual and class problems through an orderly, democratic process. At this time, the poor cannot obtain such relief from any other organized source within the state.

The federal funding requirements to maintain the program are very modest (not more than $180,000 per annum) but the impact of discontinuing the program will adversely affect tens of thousands of already destitute people. Further, it is understood that only 4 states have elected to offer Legal Services under the provisions of DHEW State Letter 1053. Surely, those states which earlier recognized, adopted and implemented the announced policy of HEW in the field of Legal Services should not now be penalized by withdrawing the required Federal support. Rather, these

relatively few existing programs should be maintained while if necessary, placing restrictions on the establishment of any more.

We believe the most note-worthy accomplishment in the Montana Legal Services program has been an improvement in the recipients' self-image. We have operated on a professional client-attorney basis, representing each individual as an advocate of his or her position. This has contributed to developing the belief in many that the system, non-legal, as well as legal, can work for them, that they do not have to be constantly in retreat, and that there can be rewards for self-motivation. All are of primary concern in our efforts nation wide to rehabilitate those who, for one reason or another, have dropped out of the main-stream of our social and economic system. To an economic "have not", a dispute concerning ten dollars ($10) can have substantial impact, but of even greater importance is that individuals' sense of right and wrong, of justice. Many persons in this category have never been able to exercise their own will, but have been obliged to accept that which was prescribed by someone more affluent. Accordingly it is of great importance to these persons that they be dealt with as individuals in their own rights, that their wishs and desires are known and are given consideration. While an affirmative outcome is the most platable, we find that the dignity of having quality legal representation, even in a losing cause, does much for the motivation of a Legal Services recipient. Just as with

more affluent clients, "having his day in court" is of prime importance.

We urge that HEW funding continue.

NEIL HAIGHT
Acting Director

APR 1973
RECEIVED
O. E. O.
COORDINATOR

March 5, 1973

SUGGESTED DRAFT LETTER TO SECRETARY WEINBERGER

Dear Secretary Weinberger:

[illegible] formally protest the recent effort made by HEW through the proposed social service regulations published in the Federal Register on February 16, 1973 to seriously impair the delivery of [illegible] services to Montana citizens. The proposed regulations, if implemented, will have the effect of seriously damaging [illegible] services programs which have been developed [illegible] to improve the lives of those vulnerable and [illegible] who qualify for our service programs. [illegible] changes are as follows:

1. The time period for those considered to be "potential" welfare recipients and thus eligible for social services authorized under the Social Security Act [illegible] reduced to six months for children and families and for the aged, blind and disabled under the new proposed regulations.

2. The time period for those considered to be "former" welfare recipients and thus eligible for social services is limited to families and children and the aged, blind and disabled who have been applicants for or recipients of such financial assistance in the previous three months, but only to the extent necessary to complete provision of services initiated before withdrawal or denial of the application or termination of financial assistance.

3. The prohibition on the use of donated private funds or in-kind contributions as the state matching share in claiming federal reimbursement for social services.

4. The restriction on funds for foster care services to only those children who have been through a judicial determination of the need for removal from their home.

5. The establishment of additional administrative requirements for individual service plans and eligibility redeterminations.

Suggested Draft to Secretary Weinberger
March 5, 1973
Page 2

6. The restriction on the use of social services funds for comprehensive community social services programs by prohibiting use of social services funds for related costs such as community mental health services.

7. The fact that there will be no mandatory services for adults.

8. The complete dropping of legal services.

A detailed formal protest from the Director of the Montana Department of Social and Rehabilitation Services is also being sent to the Administrator of Social and Rehabilitation Services, HEW, Washington.

I sincerely hope that these proposed regulations will not be implemented and that the current regulations for these areas in particular that I have outlined will be left intact.

Very truly yours,

Thomas L. Judge, Governor

cc - Montana Congressional Delegation

SILVER-BOW/BUTTE AREA

PROJECTED FEDERAL CUTBACKS AS THEY WILL AFFECT
THE BUTTE-SILVER BOW COUNTY AREA

Model Cities	$ 364,000.00	
Office of Economic Opportunity, including Set, NYC, Headstart, Neighborhood Center, Upward Bound (now receiving funding on a month-to-month basis)	2,206,000.00	
EDA Administration (now funded on a month-to-month basis)	20,000.00	(approx.)
Housing (between Fiscal 1972 and 1973, based on $950,000 235 Housing, $1,400,000 236 Housing, $1,200,000, College Housing) If three other projects currently under re-review are not funded, an additional $3,905,000 would be lost.	3,550,000.00	(estimate)
Emergency Employment (now receiving funding on a month-to-month basis)	415,548.00	
EDA (Mineral Resources Center Grant) Phase I completed. Excluding Phases II and III	1,375,000.00	
Vo Tech Center (total effect unknown at the present time. Both vocational and manpower programs in jeopardy.)		
HEW Funds Directly Affected	200,000.00	
School District No. 1 (Title I funds will be cut. $175,000 known; additional cutbacks expected. Title II and Title III cutbacks unknown at this time.)		

CITY OF HELENA

Tentative Assessment of Federal Cutbacks and their

Impact on the City of Helena

NOTE: These figures are based upon the proposed President's budget and are not all in effect as yet. There are other areas where definite figures are not yet available and thus have not been mentioned.

Funds and Job equivalents LOSS:

Program	Funds	Job Equivalents
Model City	$ 526,000	
Public Employment Program (Emerg. Empl. Act)	280,000	
Office of Economic Opportunity (Admin. & Comm. Org. for RMDC)	115,000	
HUD Sewer & Water Program (Northside Drainage)	306,000	
Education Projects (Title I, II, III, ESEA NDEA, and EPDA)	272,000	
Education-Special Impact Funds	90,000	
Housing-27 Reservation Sec. 235	578,000	
123 Reservation Sec. 236	2,048,000	
TOTALS:	$4,215,000 ÷ $15,000	= 281

Funds and Job Equivalents GAINED:

Program	Funds	Job Equivalents
City Revenue Sharing	$ 185,000	
County Revenue Sharing	216,000	
	$ 401,000d	27+
NET LOSS to Helena:	$3,814,000	254-

In addition, it has been announced that the Concentrated Employment Program (CEP) will close. This covers 6 counties and amounts to $1,098,000 per year of which 27% is designated for the Helena Center.

Adding to these figures the grants which might have been expected before the cutting of Ecomomic Development Administration funds, Helena would have likely received $800,000 for Vo-Tech School construction and $230,000 for Industrial Park Development.

JHC

3/8/73

CATHOLIC CHARITIES

P. O. Box 1729
Helena, Montana
59601

RECEIVED
O. E. O.
COORDINATOR

Office of Business Affairs

March 9, 1973

State of Montana
Office of Economic Opportunity
Attn: Mr. Dan Newman

Re: Economic/Sociologic Impact
Withheld and Impound Funds
Catholic Diocese of Helena
Catholic Charities of Montana

Dear Dan:

As with all other offices sharing with or joining in the social programs of the United States Government, anticipated impoundment of funds or curtailment of funds at this time is not fully measurable.

However, the most serious effect will be felt by our Catholic Charities of Montana, Inc. The pinch here will not come as a direct economic impact to Catholic Charities but will be principally felt by many of the people that we serve. One of the principal activities at the present time of Catholic Charities of Montana, Inc. is in its care, counseling and assistance to unwed mothers and subsequent assistance in placing the children with adoptive parents. In this part of our operation, the generous people of the Diocese of Helena contributing to our Diocesan Offertory Program provide the facilities and budget for the administrative cost for housing, care, counseling and placement. However, the unwed mothers themselves are dependent uoon federally funded, but state allotted welfare funds through ADC to pay for their room and board at our Brondel Hall and for the funds necessary to pay the doctors and hospitals for delivery of and care of the child.

Since our agency provides service for some 60 girls a year at an average welfare and ADC placement costs ranging from $800.00 to $1,400.00 per mother, there will be an economic loss ranging from $48,000.00 to $84.000.00 per year. However, the most serious implication is that now these unwed mothers may very well be placed in the position of not being able to afford to have the charity of carrying their children to birth and have no place to turn.

In addition to the problems of Catholic Charities of Montana, Inc., in that area, both Catholic Charities and the Catholic Diocese of Helena have been very active in the field of providing seed money, land, and personnel in helping to develope low income, elderly and minority housing through HUD and FHA (both Federal Housing Administration and Farm Home Administration). In this area we have been involved in several millions of dollars of construction during the last few years and planned for the next 3 years for some $5,000.000.00 construction which would have been funded and guaranteed by one of the government agencies. We are not so much concerned with the loss of employment of those building the projects but are more deeply concerned with the lack of funds to provide the housing for those who are so desperately in need.

Additionally, through all of the Diocesan Agencies throughout Western Montana we have tried where ever possible to hire people from CEP and bring them into continuing full employment with our various agencies. This avenue is now closed to us and closed to those much in need.

If there is anything we can do to help change the situation, please do not hesitate to call upon us.

Yours very truly,

Joe

JOSEPH W. FLYNN
Director of Business Affairs

JWF/mm
CC: Bishop Hunthausen
Fr. Joseph Finnegan

MSLIO

IMPACT OF CUTS IN FEDERAL FUNDS

on

MONTANA STATE LOW-INCOME ORGANIZATION

The impact of the elimination of federal monies would result in several setbacks in the Montana State Low-Income Organization.

The end of the Emergency Food and Medical Program financed by the Office of Economic Opportunity monies, will prevent $85,000 of federal tax money from coming back into Montana this year. Of this amount, $45,000 goes for the salaries of eight persons, who were previously low-income.

MSLIO will also lose a $1,500 training and technical assistance grant from the Montana office of Economic Opportunity. Besides providing needed information and encouragement to low-income self-help groups, this grant brings federal tax dollars back to Montana and the monies are spent by low-income trainers and participants.

The end of OEO money would possibly result in the closing of the MSLIO office; this would hinder the organization's statewide VISTA projects which have been approved for 1973-4.

"Self-help" has been the goal and method of the Montana State Low-Income Organization. MSLIO is presently one of a few state-wide organizations in the nation consisting of and controlled by low-income persons. MSLIO also provides training programs and a State-wide People's Information and Complaint Center to Montana's poor. These efforts by the poor to find dignity and the ability to control part of their destiny will be severely weakened if MSLIO loses its OEO contracts and the assistance of the State Office of Economic Opportunity.

OFFICE OF ECONOMIC OPPORTUNITY

MONTANA OFFICE OF ECONOMIC OPPORTUNITY
1424 Ninth Avenue
Helena, Montana 59601

Director: Dan Newman

Funds: $362,000 Fiscal Year 1972
$368,000 Fiscal Year 1973

This State Economic Opportunity Office is funded for:

STATE AGENCY ASSISTANCE to coordinate State activities and to assist State Agencies in providing technical assistance to communities.

SPECIAL TECHNICAL ASSISTANCE PROGRAMS to assist communities in developing, conducting, and administering programs.

GENERAL STAFF TRAINING to provide experience, skills, knowledge, and understanding for personnel.

STATE-WIDE PROGRAMS FOR MONTANA

$60,000 for Fiscal Year 1972
$60,000 for Fiscal Year 1973

PUBLIC SERVICE CAREERS

The MONTANA STATE-WIDE CONSORTIUM ON PUBLIC SERVICE CAREERS is Montana SEOO funded for $60,000 to provide a staff of three who work through the eight non-reservation CAA's and the League of Cities and Towns to coordinate governmental job openings and low-income persons.

MANPOWER DEVELOPMENT

The MONTANA STATE-WIDE CONSORTIUM ON MANPOWER DEVELOPMENT is SEOO funded for $25,000. To provide a Manpower advocate for the special needs of the poor on a state-wide basis. ($25,000, prior year $25,000).

EMERGENCY FOOD AND MEDICAL SERVICES

The SEOO has funded the MONTANA STATE LOW-INCOME ORGANIZATION to increase participation in food programs and promote long range institutional change. Number of employees is 5. ($95,000 prior year $100,000).

OPPORTUNITIES, INC.
P.O. Box 2532
Great Falls, Montana 59401

Director: John Allen

Funded: 1966

Funds: $272,000 Fiscal Year 1972
$260,000 Fiscal Year 1973
Family Planning : $65,000 Fiscal Year 1972
$00,000 Fiscal Year 1973

This Community Action Agency is funded for:

CAA ADMINISTRATION to maintain continuity of policy, to provide adminstrative management for all CAA organizational functions not directly related to a specific program account, and to investigate resources to ensure that all programs are executed to the fullest extent possible. Number of employees - 7.

NEIGHBORHOOD SERVICE SYSTEMS to supply and staff a readily accessible neighborhood facility, and to act as a source of information and a referral service for the poor. Number of employees - 10.

COMMUNITY ORGANIZATION to promote self-organization and self- help through personal contact, information, and guidance activities. Number of employees- 6.

FAMILY PLANNING to provide counseling and clinical services to alleviate family pressures and health problems by offering poor families the choice of limiting their children. Number of employees. - 6.

YOUTH DEVELOPMENT to provide tutoring and vocational education for real and potential school dropouts and to encourage youth interest in the community by involving them in the solution of community problems. Number of employees- 7.

HEAD START employees are 29.

NYC employees are 2.

CENTERS: Main Office - Houses all the above listed programs
607 Eleventh Street, North
Great Falls (761-0310)

Day Care Center (Funds: $23,363)

Head Start Classrooms (Funds: $189,747)

NYC (Funds: $179,742)

OPPORTUNITIES, INC. serves Cascade County in west central Montana.

The Agency is pursuing a broad scope of objectives in the areas of community involvement, education, health, transportation, employment, housing, youth, and senior citizens. The CAA has numerous achievements to its credit including sponsorship of a volunteer tutoring program serving 100 low-income students and the organization of low-income families for cooperative construction of their own homes under the HUD 235 self- help housing program.

ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC.
201 S. Main
Helena, Montana 59601

Director: Gene Huntington

Funded: July 1965
Funds: $95,000 Fiscal Year 1972
120,000 Fiscal Year 1973

This Community Action Agency is funded for:

CAA ADMINISTRATION to maintain continuity of policy, to provide administrative management for all CAA organizational functions not directly related to a specific program account, and to investigate resources to ensure that all programs are executed to the fullest extent possible. Number of employees - 4.

COMMUNITY ORGANIZATION to promote self-organization and self- help through personal contact, information, and guidance activities. Number of employees- 2.

FAMILY PLANNING to provide counseling and clinical services to alleviate family pressures and health problems by offering poor families the choice of limiting their children. Number of employees-12.

MOBILIZATION OF RESOURCES to research and obtain resources from other agencies. Number of employees - 5.

HEAD START _ Number of employees - 43.

CENTERS : Main Office - Houses all the above listed programs
201 S. Main
Helena (442-1552)

The ROCKY MOUNTAIN DEVELOPMENT COUNCIL, INC. serves the city of Helena and three rural counties, Broadwater, Jefferson, and Lewis and Clark. The low-income population consists mainly of rural and urban whites and a minority of off- reservation Indians.

Under the Community Organization Program, a successful Delegate Agency, The Helena Indian Alliance, has developed into a comprehensive self-help project. The Indian Alliance is an inter-tribal organization which has initiated and taken responsibility for such activities as Youth Development, ex-felon Rehabilitation, and General Outreach. One of the highlights of this project is the development of a small wood and marble reconstituting industry which employs approximately thirty Indians at substantially above the minimum wage.

None OEO	
Head Start	$208,328
Family Planning (HEW)	54,468
Alcoholism	54,038
NYC	8,460
MDTA	51,010
Foster Grandparents	147,765
Action- RSVP	25,561

HILL COUNTY COMMUNITY ACTION, INC.
935 Fourth Street
Havre, Montana 59501

Director: Les Stevenson Funded: April 21, 1966

Local Iniative -	$39,000	Fiscal Year 1972
	44,000	Fiscal Year 1973
Family Planning:	$31,000	Fiscal Year 1972
	00,000	Fiscal Year 1973
Alcoholism :	$40,000	Fiscal Year 1972
	00,000	Fiscal Year 1973
Totals for Fiscal Year 1972	$110,000	
Fiscal Year 1973	$ 44,000	

This Community Action Agency is funded for:

CAA ADMINISTRATION to maintain continuity of policy, to provide administrative management for all CAA organizational functions not directly related to a specific program account, and to investigate resources to ensure that all programs are executed to the fullest extent possible. Number of employees- 10.

ALCOHOLISM to prevent alcoholism and to care for and rehabilitate alcoholics with follow-up programs including job placement. Number of employees - 6.

FAMILY PLANNING to provide counseling and clinical services to alleviate family pressures and health problems by offering poor families the choice of limiting their children. Number of employees - 3.

HEAD START number of employees - 20.

CENTERS: Main Office
935 Fourth Street
Havre (265-6744)

HILL COUNTY COMMUNITY ACTION, INC. serves "urban" whites and off-reservation Indians in Havre, a town of 11,000 in isolated northcentral Montana.

A Half-way House for alcoholics in Havre that was partially funded by the CAA has generated a great amount of community support and now receives much private funding.

Non-OEO

Head Start -	$81,971
Day Care	16,328
NYC	41,410

BUTTE - SILVER BOW ANTI - POVERTY COUNCIL
P. O. Box 3486
Butte, Montana 59701

Director: Frank Gorsh

Funded: June 30, 1965

Funds: $113,000 Fiscal Year 1972
$113,000 Fiscal Year 1973

This Community Action Agency is funded for:

CAA ADMINISTRATION to maintain continuity of policy, to provide administrative management for all CAA organizational functions not directly related to a specific program account, and to investigate resources to ensure that all programs are executed to the fullest extent possible. Number of employees is 4.

COMMUNITY ORGANIZATION to assist communities in developing, conducting, and administering programs. Number of employees is 5.

CENTERS: Main Office
Butte (792-7200)

BUTTE - SILVER BOW ANTI- POVERTY COUNCIL, through its Concentrated Employment Program, has placed 160 low-income persons in permanent jobs over the past 12 - month period. Number of employees is 30.

NON - OEO

NYC (DOL)	$27,440
Summer NYC	132,400
MDTA	266,000
CEP	974,000
Head Start	138,435

MISSOULA - MINERAL HUMAN RESOURCES, INC.
508 Toole Avenue
Missoula, Montana 59801

Director: Paul S. Carpino Funded: June 30, 1965

Funds:, $97,030

$97,030 For Fiscal Year 1972
$97,030 For Fiscal Year 1973

This Community Action Agency is funded for:

CAA ADMINISTRATION to maintain continuity of policy, to provide administrative management for all CAA organizational functions not directly related to spefic program account, and to investigate resources to ensure that all programs are executed to the fullest extent possible. Number of employees - 3.

CAA PLANNING to ensure that the CAA evolves with the needs of the community through modification and initiation of programs based on poverty research and understanding. Numbers of employees - 2.

COMMUNITY ORGANIZATION to promote self- organization and self- help through personal contact, information, and guidance activities. Number of employees - 3.

HEAD START number of employees - 33 also nutrition 5

DAY CARE - number of employees 8

CENTERS: Main Office - Houses all the above listed programs
508 Toole Avenue
Missoula (728 = 3710)

OEO - None
Day Care - Head Start OCD$228,469
NYC (DOL) $145,426

MT. POWELL ECONOMIC COUNCIL CORPORATION
Box 1420
Anaconda, Montana 59711

Director: Charles Mc Carthy

Funded: June 30, 1965

Funds: $37,000 (OEO SOS Funding)
(FY72 only. FY73
through SEOO)

This Limited Purpose Agency is funded for:

SENIOR OPPORTUNITIES AND SERVICES to initiate and stimulate assistance programs in aid of the elderly and to involve the elderly in determining and meeting their needs of housing, transportation, recreation, and health services. Number of employees is 3.

<u>CENTERS</u>: Main Office
Anaconda (563-3344)

Head Start Centers (Funds: $118,925)
Number of employees is 31

Anaconda (563-5322)

Hamilton

Darby

Stevensville

MT. POWELL ECONOMIC COUNCIL CORPORATION serves Dear Lodge, Granite, Powell & Ravalli Counties in western Montana. Effective January 31, 1973, this corporation will become a delegate of Montana SEOO. The agency has great expectations of receiving $37,000 in Revenue Sharing monies to expend their program.

COMMUNITY ACTION PROGRAM OF BILLINGS AND YELLOWSTONE COUNTY
2714 Montana Avenue
Billings, Montana 59101

Director: A. F. Littler

Funded: 1965

Funds: $82,990 Fiscal Year 1972
$82,990 Fiscal Year 1973

Family Planning:
$6,020 Fiscal Year 1972
$7,000 Fiscal Year 1973

This Community Action Agency is funded for:

CAA ADMINISTRATION to maintain continuity of policy, to provide administrative management for all CAA organizational functions not directly related to a specific program account, and to investigate resources to ensure that all programs are executed to the fullest extent possible. Number of employees is 5.

COMMUNITY ORGANIZATION has six outreach workers assigned to the (ASK) Information Referral Service. The CAP has organized the Latinoes Club and Consilio Group, which are oriented to Chicano issurs and WRO for Welfare issues. The Billings American/Indian Council supported by CAA is dealing with issues of importance to low-income off reservation Indians. Number of employees is 6.

MOBILIZATION OF RESOURCES: This program has six goals as indicated below:

1. Development of a volunteer bureau - (accomplished).
2. Coordination of services, (improv ng delivery of services).
3. Research of services. Monthly reports sent out.
4. Create interest in sociological survey
5. Secure Revenue Sharing monies.
6. Increase available hours of services provided to low-income beneficiaries of public and private organizations.

Number of employees is 2.

CENTERS: Main Office
Billings 248-7477

Head Start: $143,000 plus $32,000 one time summer
Number of Employees 33

Day Care: Included with $143,000

Neighborhood House

Delegate - First United Methodist Church

COMMUNITY ACTION PROGRAM OF BILLINGS AND YELLOWSTONE COUNTY was instrumental in developing a volunteer medical service program for the benefit of the "working poor". The purpose of this pilot program is to determine how many persons are financially incapable of seeking medical assistance.

FAMILY PLANNING: $6,020 which provides 1 outreach worker to give T&TA to low-income for planned parenthood.

EFM'S: $5,000 from Colorado Migrant Council

DOL: $151,470 NYC in School, Out-of-School and Summer Programs.
Number of employees is 2.

Voluntary Action Center employee is 1

RSVP employee is 1 also.

ACTION FOR EASTERN MONTANA
Dilworth and Ames Streets
Glendive, Montana 59330

Director : Earl Hubley

Funded: April 21, 1966
Funds: $114,000

Local Iniative	$88,000	Fiscal Year 1972
	$98,000	Fiscal Year 1973
SOS	$16,000	Fiscal Year 1972
	$16,000	Fiscal Year 1973
Alcoholism	$65,000	Fiscal Year 1972
	$00,000	Fiscal Year 1973
TOTALS----------	$169,000	Fiscal Year 1972
	$114,000	Fiscal Year 1973

This Community Action Agency is funded for:

CAA ADMINISTRATION to maintain continuity of policy, to provide administrative management for all CAA organizational functions not directly related to a specific program account, and to investigate resources to ensure that all programs are executed to the fullest extent possible. Number of employees - 5.

COMMUNITY ORGANIZATION to promote self- organization and self- help through personal contact, information, and guidance, activities. Number of employees- 6. (2 new openings.)

SENIOR OPPORTUNITIES AND SERVICES to initiate and stimulate assistance programs in aid of the elderly and to involve the elderly in determining and meeting their needs of housing, transportation, recreation, and health services. Number of employees - 2.

ALCOHOLISM AND DRUGS to provide public information and Education on alcohol and drugs, to counsel alcoholics and their families, to mobilize and better utilize community resources, and to develop a public awareness of the problem of alcohol and drug abuse and overcome stigmas attached to the problem. Number of employees - 7.

CENTERS: Main Office- Houses all the above listed programs
Dilworth and Ames
Glendive (365-3364)

ACTION FOR EASTERN MONTANA serves 16 counties covering 47,000 square miles.

There are 18,600 persons over 55 years of age in the CAA area. More than one-third of these qualify for assistance under income guidelines. The CAA has organized or is in the process of organizing Senior Citizen groups in each of the 16 counties. The CAA has successfully sought state support for four Senior Centers and is planning for five additional centers.

MONTANA LEGAL SERVICES ASSOCIATION
601 Power Block
Helena, Montana 59601

Director: [redacted]

Funded: 1966

Funds: $462,000 Fiscal Year 1972
$457,177 Fiscal Year 1973

This Limited Purpose Agency is funded for:

LEGAL SERVICES to provide legal advice and representation by qualified legal counsel, to educate the poor concerning their legal rights and responsibilities, and to support reform to make the legal system more responsive to the needs of the poor. Number of Employees is 33.

<u>OFFICES</u>: Central Office
Helena (442-3343)

Billings (252-7071)

Butte (723-4612)

Cut Bank (938-2319)

Great Falls (453-6589)

Browning (338-5525)

Hardin (665-2520)

Havre (265-9314)

Missoula (549-3593)

Wolf Point (653-1405)

MONTANA LEGAL SERVICES ASSOCIATION has 19 Staff Attorneys. It also maintains a Judicare program, but figures are unavailable on the number of local participating attorneys.

The Agency has effected a great savings to the poor through the abolishment of school fees and has succeeded in changing welfare regulations concerning residency.

APPENDIX

COUNCIL OF STATE GOVERNMENTS

February 2, 197[illegible]

STAFF ANALYSIS OF THE PRESIDENT'S BUDGET PROPOSALS FOR FISCAL YEAR 1974

Reiterating his intentions to seek no new tax increase, the President has sent Congress a $268.7 billion budget for 1974--up from $249.8 for 19[illegible]--with an admonishment that any Congressional efforts to increase his budget requests will invite vetoes and impoundments.

Listing more than 100 reductions or outright terminations, the budget emphasis is clearly on reductions with essentially no new programs proposed. Of the 113 programs listed for termination or reduction, only six, the President contends, would require new laws by Congress. The others, said the White House, would be accomplished by executive order.

Scheduled for termination is the Office of Economic Opportunity which finds some of its programs scattered to other agencies and others abolished completely. The Economic Development Administration would also be abolished as would low-interest loans for rural electrification, the Hill-Burton program for building hospitals, public service employment, regional medical centers, local mental health center support. Deep cuts appear rural subsidy programs and a continuation of the freeze on federally subsidized housing programs are evident with urban renewal and other city projects scheduled to come to a halt.

In addition, the President announced he will ask Congress to lump some 70 "narrow-purpose" programs into four new broad purpose special revenue sharing programs for state and local government. These programs would be established for education, law enforcement and criminal justice, manpower training, and urban community development. The budget would keep new programs at the present total spending level ($6.9 billion).

The budget, however, does not include these 70 programs as item-by-item expenditures, raising questions about their future should Congress fail to adopt the special revenue sharing proposals.

The budget indicates the President will not push two of his major past initiatives--welfare reform and property tax relief. While the Administration is keeping its options open, it is quick to point out that renewed efforts in these directions would have to be offset by reductions in other areas.

While reductions were most evident in the budget, increases did occur beyond those anticipated for social security, Medicare and national debt interest. Needy college students will find a greatly increased budget capable of providing them with cash assistance grants. This denotes a change in focus on higher education [illegible] aid to institutions toward new aid to student efforts. Some increases in environmental funds are evident. Energy research gains momentum and drug abuse, civil rights, Indians, and cancer and heart research find additional funds in the otherwise tight budget.

73-M-8

COMMUNITY DEVELOPMENT
(President's Budget Proposals for Fiscal Year 1974)

Highlights of the President's budget proposals in the community development area are:

> Funds requested for most housing subsidy programs, in both HUD and FmHA, pending thorough review of these programs by the Administration.
>
> No funds are requested by HUD "Community Development" programs, based on the assumed passage of Community Development Revenue Sharing legislation prior to July 1, 1973.
>
> Grants for HUD 701 planning are increased by 10 percent (to $110 million), and grants would go to Governors. However, EDA Title V grants ($40 million) are eliminated and planning grants under the Rural Development Act of 1972 ($10 million authorized) are not requested.
>
> All EDA activities are abolished.
>
> OEO is abolished, with CAP agency support eliminated, and certain programs transferred to other agencies.

Department of Housing and Urban Development

	1972 (actual)	1973 (estimate)	1974 (request)
	(in thousands of dollars)		
1. Housing Production and Mortgage Credit			
a. Rent Supplements (Sec. 101, HUD Act of 1965; carry-over from FY 1973--$38.6 million)	$ 54,334	$ 36,500	--0--*
b. Homeownership Assistance (Sec. 235, HUD Act of 1968; carry-over from FY 1973--$221 million)	121,881	32,500	--0--*
c. Rental Housing Assistance (Sec. 236, HUD Act of 1968; carry-over from FY 1973--$171.5 million)	141,778	91,600	--0--*
d. Nonprofit Sponsor Assistance (Sec. 106, HUD Act of 1968; carry-over from FY 1973--$300,000)	3,377	1,100	--0--*

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COMMUNITY DEVELOPMENT budget, proposed fiscal year 1974, continued

		1972 (actual)	1973 (estimate)	1974 (request)
		(in thousands of dollars)		
e.	Low Rent Public Housing (U.S. Housing Act of 1937)			
	--New Contract Authority	$ 225,000	$ 150,000	--0--*
	--Total (cumulative) Contract Authority	1,999,250	1,424,250	$1,574,250
	--Operating Subsidies	108,000	245,000	350,000
2.	Housing Management			
a.	Housing Payments (annual subsidy for programs listed under HPMC)			
	--Rent Supplement	77,911	122,000	164,000
	--Homeownership Assistance	234,820	340,000	412,000
	--Rental Housing Assistance	86,370	115,000	205,000
	--Low-rent Public Housing	727,789	1,214,500	1,305,000
	--College Housing Grants	2,286	11,500	19,000
	Total Housing Payments	$1,298,051	$1,803,000	$2,105,000
3.	Community Planning and Management			
a.	Comprehensive Planning Grants (Sec. 701, Housing Act of 1954)	100,000	100,000	110,000[a]
b.	Community Development Training (Title VIII, Housing Act of 1964)	3,500	3,500	--0--
c.	New Community Assistance Grants (Sec. 412, HUD Act of 1968)	10,000	7,500	--0--
4.	Community Development			
a.	Model Cities (Title I, Demonstration Cities and Metropolitan Development Act of 1966)	150,000	500,000	--0--[b]
b.	Neighborhood Facilities (Sec. 703, HUD Act of 1965)	40,000	40,000	--0--[b]
c.	Open Space Land (Title VII, Housing Act of 1961)	100,000	100,000	--0--[c]
d.	Basic Water and Sewer (Sec. 702, HUD Act of 1965)	500,000	--0--	--0--[c]
e.	Urban Renewal (Title I, Housing Act of 1949)	1,250,000	1,450,000	1[illegible]7,500[b]
f.	Rehabilitation Loan Fund (Sec. 312, Housing Act of 1964)	90,000	70,000	--0--[b]

continued

[illegible] DEVELOPMENT budget, proposed fiscal year 1974, [illegible]

	1972 (actual)	1973 (estimate)	1974 (request)
	(in thousands of dollars)		
5. Federal Insurance Administration			
[illegible] Flood Insurance (Flood Insurance Act of 1968)	[illegible]	[illegible]	20,000
6. Research and Technology (Title V, HUD Act of 1970)	45,090	53,000	71,450
Department of HUD Total.	$4,081,335	$5,047,952	$3,712,864[d]

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*No appropriations requested for these housing subsidy programs, plus college housing, for fiscal year 1974, pending review of all federal housing programs by Administration. No new commitments have been made since January 5, 1973.

[a]701 Grants are proposed for distribution direct to States, allowing Governors to suballocate funds in accordance with their priorities. However, several planning programs are proposed for elimination or no funding, presumably to be funded by 10 percent increase in 701 funds (see 1 e., Department of Commerce).

[b]These programs will be terminated June 30, 1973, presumably to be consolidated with Public Facility Loans into proposed Community Development Revenue Sharing, to be presented to Congress shortly.

[c]Same as above, but new commitments were suspended on January 5, 1973.

[d]This represents a net decrease in appropriated funds for HUD in fiscal year 1974 of $1,335,088,000.

[illegible]

	[illegible] (actual)	[illegible] (estimate)	1974 (request)
	(in thousands of dollars)		
1. Economic Development Administration (Various Titles, Public Works and Economic Development Act of 1965)			
a. Development Facilities (Titles I, II and IV)	190,000	220,000	--0--
b. Industrial Development Loans and Guarantees (Titles II and IV)	50,000	50,000	--0--
c. Planning, Technical Assistance and Research (Title III)	20,835	31,468	--0--
d. Operations and Administration	23,537	24,086	--0--

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	1972 (actual)	1973 (estimate)	1974 (request)
	(in thousands of dollars)		
e Regional Action Planning Commissions (Title V)	39,054	41,672	--0--[e]
Economic Development Administration Total	$323,446	$367,226	--0--

[e] Budget suggests funding for Title V Commissions be picked up under HUD 701. Approximately $20 million carry-over from fiscal year 1973, to be spent in fiscal year 1974.

Office of Economic Opportunity[f]

	1972 (actual)	1973 (estimate)	1974 (request)
	(in thousands of dollars)		
1. Research, Development and Evaluation (transferred to HEW, DOL, HUD)	45,000	66,700	77,900
2. Community Action Operations	351,000	285,300	--0--[g]
3. Health and Nutrition (transferred to HEW)	157,200	165,200	147,000
4. Community Economic Development (transferred to Office of Minority Business Enterprise)	26,800	30,700	39,300
5. Migrants and Seasonal Farm Workers (transferred to DOL)	36,500	36,300	40,000
6. Legal Services Program (transferred to HEW--proposed independent corporation)	67,700	73,800	71,500
7. General Support (transferred to GSA)	18,200	18,500	33,000

[f] OEO is being dismantled, with action programs being reassigned to other agencies noted in parentheses. Fiscal year 1974 figures are for transferred functions or on-going agency responsibility in areas similar to those covered by OEO.

[g] Citing "Little justification for continued separate categorical funding" of CAP programs, budget suggests that at "local option...general and special revenue sharing funds could be used." HEW budget does contain requests for special Indian and senior citizen activities covered previously in part by OEO-CAP funds.

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Department of Agriculture

	1972 (actual)	1973 (estimate)	1974 (request)
	(in thousands of dollars)		
1. Farmers Home Administration (FmHA)			
a. Rural Water and Waste Disposal Grants	$ 100,000	$ 92,000	--0--[h]
b. Rural Housing for Domestic Farm Labor	2,500	3,750	--0--[h]
c. Mutual and Self-Help Housing	2,000	3,000	$ 3,000
d. Rural Housing Insurance Fund			
(1) Rural Housing Site Loans	1,000	5,000	5,000[h]
(2) Farm Labor Housing Loans	2,700	7,500	--0--[h]
(3) Rural Rental Housing Loans	40,000	30,000	--0--[h]
(4) Low-income Building Loans	1,061,200	650,000	--0--[h]
(5) Moderate-income Building Loans	500,000	1,084,000	618,000
(6) Very low-income Housing Repair Loans	3,400	10,000	10,000
(Note: Numbers 1-5 above are insured loans; 6, direct loan program)			
e. Agriculture Credit Insurance Fund	374,985	56,762	74,554
f. Rural Development Insurance Fund (established October 1, 1972)	NA	277,535	511,076
2. Rural Electrification Administration			
a. Loans	669,100	633,100	--0--
3. Rural Development Grants and Technical Assistance (created August 1972)	NA	NA	20,000
4. Rural Development Service	250	400	400

[h] These programs have been suspended, in January 1973, pending a review of federal housing subsidy programs.

STAFF CONTACT: Richard W. Lincoln

CRIMINAL JUSTICE
(President's Budget Proposals for Fiscal Year 1974)

Funds requested in fiscal 1974 to fight crime in the States have increased only slightly. Fiscal 1973 funds were $2.5 billion; fiscal 1974 requested funds total $2.6 billion. Once again the major share of crime-fighting funds will go to the Law Enforcement Assistance Administration (LEAA) of the Department of Justice which fights crime through grants to state and local governments while providing strong federal leadership for programs requiring national coordination. Another important part of the Administration's law enforcement budget was the President's commitment to reintroduce legislation to establish a semi-private Legal Services Corporation. Last year legislation to establish such a corporation was killed when the Congress and the Administration disagreed over the President's power to appoint all the corporation's directors.

LEAA funds allocated in the 1974 requested budget totaled $891 million--an increase of $40 million over fiscal 1973. The Safe Streets Act which authorized LEAA will expire June 30, 1973. To replace it, the Administration will propose legislation to merge several of the LEAA categorical grants into Law Enforcement Revenue Sharing (LERS). In 1974, $800 million in assistance to state and local government will be allocated through LERS and LEAA discretionary funding for various crime reduction activities.

Projected spending for federal drug abuse prevention and drug law enforcement programs has been increased from $655 million for fiscal year 1973 to $719 million for fiscal year 1974. Approximately two-thirds of the funds will be spent for drug abuse prevention programs to reduce the demand for illicit narcotics and dangerous drugs. Activities funded include treatment programs for addicts, drug abuse education and research and training. One-third of the funds will be spent for drug law enforcement programs designed to reduce the supply of illicit narcotics and dangerous drugs available in the U.S. These programs include such activities as international law enforcement cooperation and cooperative federal-state-local law enforcement efforts to identify and arrest street-level pushers.

STAFF CONTACT: Charles Whitmire

EDUCATION
(President's Budget Proposals for Fiscal Year 1974)

The budget for education programs stresses two major themes: greater state and local control over education and an emphasis on opportunities for higher education by providing needed funds directly to students.

Total federal education outlays will reach an estimated $13.8 billion in 1974, an increase of $247 million over estimated 1973 outlays, and $1.9 billion over 1972 outlays.

The Administration expects to send an Education Special Revenue Sharing (ESRS) proposal to Congress within the next three months. ESRS will provide $2.8 billion to state and local governments in 1974. Some 30 programs will be replaced by ESRS and consolidated into five broad categories of block grants:

Compensatory education for the disadvantaged (ESEA Titles I and III) ....$1.7 billion

Education for the handicapped............................$37.5 million

Vocational and adult education.........................$526 million

School assistance in federally affected areas (impact aid) ....$232 million

Basic school lunch program.............................$244 million

The Office of Education's higher education budget calls for $1.8 billion. The major share ($1.5 billion) of these outlays will be taken up by aid to needy students. In 1974, $948 million is requested for the new basic educational opportunity grants program. This new program reflects the Administration's intention to transfer federal support for higher education from institutional grants to direct aid for lower income students. The higher education budget also asks for $100 million to strengthen developing institutions and $70 million for the "trio" programs (Special Services, Upward Bound and Talent Search) assisting institutions with large enrollments of disadvantaged students.

Some education programs restored in fiscal year 1974 are as follows:

Bilingual education................................. $ 35 million

Emergency School Assistance Act........................ $270 million

Follow-through Program................................ $ 41 million

Dropout prevention (ESEA Title VIII).................... $ 4 million

Vocation and adult education research projects.......... $ 45 million

Handicapped education (exclusive of ESRS funding)....... $ 94 million

--continued

[illegible], proposed fiscal year 1974, continued

Programs which have been eliminated altogether are:

- All school and college library programs
- College construction grants
- College community services
- Foreign language higher education programs
- Environmental education
- Impact aid based on children whose parents work on federal property but reside in private, taxpaying dwellings.

Outlays for the National Institute of Education, which serves as the focal point for educational research and experimentation, are expected to reach $118 million in fiscal year 1974, an increase of $75 million over 1973.

STAFF CONTACT: Dick Merritt

NATURAL RESOURCES AND ENVIRONMENT
(President's Budget Proposals for Fiscal Year 1974)

Federal aid to state and local governments for natural resources and environment programs in FY'74 is estimated at $2.265 billion. This is nearly $1 billion over the 1973 expenditures of $1.350 billion, while the 1972 figure was only $906 million. Overall, in both the natural resource and environment areas, expenditures increased in virtually all categories with the exception of watershed protection and flood prevention within the Department of Agriculture, which dropped from a $102 million allocation in 1973 to $82 million in 1974. The largest increase comes under the Federal Water Pollution Control Act construction funds for waste treatment facilities.

Though the total amount of funding under the Land and Water Conservation Fund is reduced for FY'74, that portion earmarked for state and local assistance for outdoor recreation areas is increased from $126 million in FY'73 to $160 million in FY'74.

In the area of land use planning, the Department of Interior has budgeted $20 million for FY'74, but no money has been earmarked by the Department of Commerce for carrying out the new Coastal Zone Management Act within the National Oceanic and Atmospheric Administration.

Under the new water pollution control legislation administered by the Environmental Protection Agency, $5 billion has been made available for allocation to the States for FY'73 and FY'74 for construction of municipal waste treatment facilities. In addition, $40 million has been budgeted for state program grants under Section 106 of the act. This is twice the 1973 amount. For area-wide planning programs under Section 208, $25 million has been budgeted. These planning monies are 100% federal funds under a program contract authority established by the new water pollution law.

Solid waste management planning grants to States have been eliminated in the new budget, and funding under the Resource Recovery Act reduced to $5.7 million for FY'74.

Both near-term and long-range solutions to energy problems will receive added support in FY'74 with the overall budget for energy research and development set at $772 million, as compared with a $642 million allocation for 1973.

Following are budget amounts for selected programs:

Department of Interior

The total budget, $2,533,465,000 is down $365,776,000 from FY'73. Reductions occur primarily in budgets for the Bureau of Outdoor Recreation, which, however, has a substantial carry over of funds committed for support of Land and Water Conservation Fund projects in the States.

Program (grants to States and localities-in millions)	1973	1974
Fish and Wildlife restoration and management	62.2	64.5
Land and Water Conservation Fund	126.3	160.0
Preservation of historic properties	4.5	2.5
Land Use Planning'	----	3.0

RESOURCES AND ENVIRONMENT budget, proposed fiscal year 1974, continued

Environmental Protection Agency

The total operating budget will increase from $471 million to $515 million in FY'74. The release of $5 billion (out of $11 billion authorized) in 1973 and 1974 contract authority for grants to assist the construction of municipal waste treatment plants, added to the $1.9 billion of 1973 appropriated funds totals $6.9 billion for that purpose and period.

Program (budget authority-in millions)	1973	1974
Air	152.5	146.4
Water Quality	139.2	192.4 *
Water Supply	4.3	4.4
Solid Wastes	30.0	5.8
Pesticides	21.0	25.5
Radiation	7.1	7.1
Noise	2.4	4.0

* This includes $40 million in program grants to States and $25 million contract authority under Section 208, Area-wide Waste Treatment Management Activities.

STAFF CONTACT: R. Deane Conrad

SOCIAL SERVICES AND HEALTH
(President's Budget Proposals for Fiscal Year 1974)

[illegible] crease asked in formula grant funds available for State and Area Comprehensive [illegible] Planning Agencies [illegible].

1972 (actual)	1973 (estimate)	1974 (request)
$25,935,000	$31,800,000	$38,327,00

No extension of authorization is requested beyond June 30, 1973, for continuation of Hill-Burton program which provides grants and interest subsidy through a state formula grant program for construction and modernization of hospitals and other health facilities.

	1972 (actual)	1973 (estimate)	1974 (request)
Construction and Modernization grants	$197,200,000	$2,000,000	(No grants allowed. Fund for state administration only)
Interest subsides	20,300,000	2,500	--0--

Formula block grants for comprehensive health services same as past years.

1972	1973	1974
$90,000,000	$90,000,000	$90,000,000

Maternal and Child Health Services: Program has included formula grants to States and a project grant program not required to be administered through States. It is proposed that funds previously allocated for project grants be folded into the formula grants to States. Formula grant funds in fiscal year 1974 proposed to be the same as total of formula and project grant funds in fiscal year 1973.

	1972	1973	1974
State Formula Grant	$121,522,000	$125,678,000	$217,951,000
Project Grant s	92,008,000	92,273,000	--0--

Community Mental Health Centers Programs: Proposes the elimination of direct federal project grants to community mental health centers when federal authorization expires on June 30, 1973. Applies to general staffing grants and special impact programs and drug abuse. Fiscal year 1974 budget does contain budget authority needed between now and 1980 to honor all federal commitments to such programs which are eight-year commitments on a declining federal support basis.

	1972	1973	1974
Health Centers	$15,000,000	--0--	--0--
Staffing Grants	135,100,000	$125,100,000	--0-- (new grants) $518,000,000*

[illegible] Proposed
[illegible] continued

[illegible] Project Grants-	1972	1973	1974
Drug Abuse Community Programs	$36,000,000	$42,000,000	--0-- (new grants) $268,000,000*
Alcoholism Community Programs	$69,000,000	$60,000,000	--0-- (new grants) $ 87,000,000*
Child Mental Health Programs	$10,000,000	$ 8,600,000	--0-- (new grants) $ 46,000,000*

*Funds for continued support of old commitments through 1980.

Alcoholism Prevention-Treatment (Hughes Act): Formula grant program to States to continue but project grant program proposed to be eliminated when existing continuation commitments run out.

	1972	1973	1974
Formula Grants	$30,000,000	$30,000,000	$30,000,000
Project Grants	39,421,000	$30,027,000	--0--(new grants) ($87,000,000 to continue old commitments

Drug Abuse Prevention and Treatment (Hughes Act): Formula grant program to States to continue at present funding level. Project grant programs authorized outside of Community Health Center authority administered by HEW but under the general leadership of Special Action Office on Drug Abuse Prevention in the Executive Office of the President. Also drug abuse programs now administered by OEO and LEAA to be transferred to HEW.

	1972	1973	1974
Formula Grants to States	$15,000,000	$15,000,000	$15,000,000
Project Grants		65,000,000	71,000,000

Drug abuse program transferred from OEO to HEW-- $21,000,000

(No new programs. Continued support for old commitments.)

Drug abuse program transferred from LEAA to HEW-- $ 5,000,000

(No new programs. Continued support for old commitments.)

Regional Medical Programs (RMP): The legislative authority for the Regional Medical Programs expires on June 30, 1973. The Administration will not seek its extension, stating as its reasons that nearly all of the RMP projects overlap other project grant

[illegible] supported by HEW. The budget explanation does state, however, that included [illegible] the budget for the National Center for Health Services Research and Development is [illegible] million to continue emergency medical services projects, formerly funded in the Regional Me[illegible] Program.

	1972	1973	1974
	$100,000,000	$60,000,000	--0--

Health Manpower: Significant changes include: capitation payments to educational institutions for health manpower (other than 125 schools of medicine and osteopathy and 58 schools of dentistry) will be reduced in fiscal year 1973 and terminated in fiscal year 1974.

Newly awarded health manpower scholarships will be available only to students who commit themselves to serve in a federal health program to meet a national need ($22 million for National Health Services Scholarships).

Student loan program to remain at present level of funding. Institutional support to schools of public health and allied health will be terminated in 1974. A major portion of the educational initiative awards will be used to maintain support to the Area Education Center established this year. Funds for fiscal year 1973 are $12 million and fiscal year 1974 $47 million.

Health Maintenance Organizations: $60 million is proposed to finance a proposed Administration bill which will authorize grants, contracts, loans and loan guarantees to plan, develop and facilitate initial operation of Health Maintenance Organizations.

National Health Service Scholarships and Service Corps: HEW programs which provide direct medical care by federal health personnel are having great difficulty recruiting physicians and dentists. The Administration will ask for an amendment to the Emergency Health Personnel Act to remove the $3 million authorization limit on the scholarship program and to broaden authority to include work in any public health service program. Request is $22 million for scholarships.

	1972	1973	1974
National Health Service Corps	$11,274,000	$11,000,000	$11,000,000
National Health Scholarships	--0--	--0--	22,500,000

Social and Rehabilitation Services

Totals for federal share of cash assistance, Medicaid, Social Services, state and local training and child welfare are:

	1972	1973	1974	Change
	(in millions of dollars)			
Maintenance Assistance......	$ 6,143	$ 6,488	$ 5,370	$ -1,118
Supplemental Security Income	--	77	2,212	+2,135
Medical Assistance	4,[illegible]	4,728	5,261	+533
Social Services.	1,712	2,655	2,000	-655
State and Local Training....	35	42	45	+3
Child Welfare..............	46	46	46	--

[illegible] Act, proposed fiscal year 1974, continued

Development Disabilities: Request for funds for formula grants to States remains the same as in previous year--$21,715,000.

Special Programs for the Aging (Older Americans Act): Administration is requesting more than double the funds for formula grant to States for community programs for fiscal years 1973 and 1974. It is also requesting nearly $100 million for funding new nutrition program for the aging, enacted in 1972 which is also a state formula grant program.

	1972	1973	1974
Planning and Operations..............	$ 5,000,000	$12,000,000	$12,000,000
Areawide Projects....................	9,100,000	16,000,000	16,000,000
Community Programs...................	30,000.000	68,000,000	68,000,000
Nutrition Programs...................	--	99,600,000	99,600,000

Proposed Quality Control Regulations: HEW's background material on the fiscal 1974 budget for welfare cash assistance programs includes the following:

--That regulations will be effective no later than April 1, 1973, that "will limit federal financial participation in state welfare programs to correct payments to eligible individuals only, as determined by analysis of the quality control findings."

--That nearly $1 billion in federal and state tax funds are being misspent through errors in welfare administration.

Social Services: $2 billion was requested for social services funds under the Social Security Act for Fiscal year 1974. $2.5 billion ceiling in effect. Background material includes the statement that new regulations will "prohibit federal matching for activities financed through the federal-state programs such as medical care, mental health and subsistence payments."

Vocational Rehabilitation: Administration's request for funds for formula grants to States for vocational rehabilitation services in fiscal year 1974 is less than originally requested, but still more than fiscal year 1973.

	1972	1973	1974
Basic State Grants..................	$560,000,000	$590,000,000	$610,000,000
VR Expansion Grants..................	38,700,000	35,800,000	30,000,000

WIN Program: Substantial increases in child care and supportive services administered by HEW in fiscal year 1974, with 90-10 match, will reflect the greater costs [illegible] for [illegible] children [illegible] fiscal year [illegible] during which priority for training and job placements are to be given to unemployed fathers and AFDC mothers of older children where day care and related services are less extensive.

	1973	1974
Training and incentives	$204,200,000	$329,534,000
Child care and other supporting services	86,720,000	204,900,000
Total	$290,920,000	$534,434,000

Welfare, Medicaid and Medicare

Legislative Changes Proposed: Changes proposed include--

Elimination of eligibility of adults for dental services under Medicaid.

New legislation proposed to require States which have not already expanded their Medicaid coverage to include free standing clinics to do so, establishing neighborhood health centers and family health centers. Proposal reduces HEW grant support by making third party payments available to centers. Budget calls for $20 million for fiscal year 1974 but does not estimate state costs.

New legislation proposed requiring standardization in certain areas where present wide variations is claimed to lead "to unnecessary complexities and inequities." One such proposal would standardize earned income expense allowance in AFDC programs. The amendment would provide for a work-related income disregard of $60 per month plus cost of child care.

New legislation proposed, effective January 1, 1974, to increase cost sharing by patient in both hospital insurance and supplemental medical insurance components of the Medicare program. HEW estimates that federal Medicare savings from the proposal will result in $44 million increase in Medicaid costs.

Head Start: Changes include requirement that 10 percent of the enrollment opportunities in Head Start will be made available to handicapped children. Head Start research and demonstration projects will be transferred in 1974 from OEO to the Office of Child Development in HEW.

	1972	1973	1974
Head Start	$368,000,000	$393,400,000	$4[illegible]7,400,000

Allied Services Act: The Administration will resubmit its Allied Services legislation and requests $20 million for implementation in the 1974 budget.

TRANSPORTATION
(President's Budget Proposals for Fiscal Year 1974)

[illegible] other [illegible] programs, the transportation budget [illegible] somewhat [illegible] Airport [illegible] and Development [illegible] program retained the same [illegible] funding for [illegible] as they had in fiscal year '73. The total dollars to be made available to the Federal Highway Administration were reduced only slightly with some reducation in the interstate funding. The Urban Mass Transportation Administration retained an expenditure level very similar to that of last year's.

In reviewing the Federal-Aid Highway line item budget, those funds indicated for the Urban Transportation programs reflect the funds to be utilized for urban extensions, urban systems and topics. The Rural Transportation Program funding level reflects those funds to be used for the primary system and the secondary system and the primary and secondary system in the rural areas. This funding approach follows the program that was proposed in the Administration's Federal-Aid Highway legislation.

	(obligations in thousands)		
	1972 Actual	1973 Estimate	1974 Estimate
Federal Aviation Administration			
Planning Grants	9,043	15,000	15,000
Construction Grants	280,000	280,000	280,000
Facilities & Equipment	354,162	294,237	250,000
Total	643,205	589,237	545,000
Federal Highway Administration			
Interstate System	3,293,000	2,800,000	2,600,000
Urban Transportation Program	(499,000)	(645,000)	600,000
Urban Extension Highways	270,000	240,000	--
Urban System	11,000	140,000	--
TOPICS	218,000	265,000	--
Rural Transportation Program	([illegible])	([illegible])	625,000
Primary System	448,000	360,000	--
Secondary System	318,000	[illegible]	--
Primary & Secondary Systems in Rural Areas	[illegible]		

	1972 Actual	(obligations in thousands) 1973 Estimate	1974 Estimate
Bridge Replacement	41,000	56,000	75,000
Economic Growth Center Highways	28,000	--	--
Emergency Relief	45,626	130,000	113,000
Highway Beautification	35,315	40,000	55,000
Bridges over Dams	—	3,800	—
Territorial Highways	3,898	4,000	4,000
Highway-related Safety Grants	12,911	12,939	13,200
Forest Highways	19,714	20,000	16,000
Public Lands Highways	9,677	12,000	5,000
Grants for Planning & Research	80,045	67,000	81,000
Right-of-way Revolving Fund	46,218	50,000	48,000
Rail Crossings - Demonstrations	1,992	10,000	18,000
Total	4,984,896	4,500,739	4,453,200
National Highway Traffic Safety Administration			
State and Community Highway Safety Grants	67,096	52,061	77,000
Urban Mass Transportation Administration			
Capital Facilities Grants & Loans	510,000	863,708	872,000
Technical Studies Grants	25,000	33,500	38,000
Research, Development, & Demonstrations, grants, & contracts	61,438	73,250	80,000
University Research & Training	[illegible],500	2,500	2,500
Total	[illegible]98,938	972,958	992,500
Grand Total	[illegible]	6,[illegible]	[illegible]

INFORMATION ON IMPOUNDMENTS PROVIDED BY OFFICIALS
OF DEPARTMENTS AND AGENCIES

Representative Joe L. Evins (D-Tenn.), a member of the Committee on Appropriations and Chairman of the Subcommittee on Public Works and Atomic Energy Commission Appropriations, released a partical listing of funds totaling more than $12 billion appropriated by the Congress for Fiscal Year 1973 and which are being withheld, frozen and impounded by the Office of Management and Budget.

Evins said OMB had refused to release the information and that some Departments and agencies had complied with his request for the amount of funds withheld.

Funds withheld and impounded by OMB include the following:

DEPARTMENT OF AGRICULTURE -- $1,267,076,900

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT -- $523,200,000

DEPARTMENT OF TRANSPORTATION -- $2,000,000,000 (for Federal-aid highways, including Interstate)

DEPARTMENT OF DEFENSE (CORPS OF ENGINEERS) -- $20,462,000 (for construction and planning on public works projects)

DEPARTMENT OF COMMERCE -- $243,000,000 including $109,555,000 for water, sewage and industrial expansion grants by the Economic Development Administration

ENVIRONMENTAL PROTECTION AGENCY -- $6,000,000,000

DEPARTMENT OF HEALTH, EDUCATION AND WELFARE -- $57,197,490

DEPARTMENT OF THE TREASURY -- $24,134,197

ATOMIC ENERGY COMMISSION -- $15,400,000

DEPARTMENT OF DEFENSE -- MILITARY -- $1,940,448,924

VETERANS ADMINISTRATION -- $111,786,000 (including $46,786,000 for reduction in apportionment)

APPALACHIAN REGIONAL COMMISSION -- $65 million

(Further details on impoundments are attached.)

INFORMATION ON IMPOUNDMENTS PROVIDED BY OFFICIALS
OF DEPARTMENTS AND AGENCIES

DEPARTMENT OF AGRICULTURE:

Office of Secretary	$ 500,000
Agricultural Research Service:	
Agricultural Research Service (Annual)	8,048,000
Agricultural Research Service (No-Year)	2,650,000
Animal and Plant Health Inspection Service	2,046,000
Cooperative State Research Service	1,500,000
Extension Service	3,000,000
Statistical Reporting Service	[illegible]
Economic Research Service	273,000
Farmer Cooperative Service	100,000
Agricultural Stabilization and Conservation Service:	
Rural Environmental Assistance Program	210,500,000
Water Bank Program	10,000,000
Rural Electrification Administration:	
Loans	456,028,000
Farmers Home Administration:	
Rural Water and Waste Disposal Grants	120,000,000
Rural Housing for Domestic Farm Labor	3,147,000
Salaries and Expenses	500,000
Rural Housing Insurance Fund	357,500,000
Soil Conservation Service:	
Conservation Operations	5,000,000
Resource Conservation & Development	6,000,000
Watershed Planning	500,000
Watershed and Flood Prevention Operations	17,412,500
Great Plains Conservation Program	62,500
Agricultural Marketing Service:	
Marketing Services	36,000
Payments to States and Possessions	900,000
Total, USDA, Excluding Forest Service	$1,214,755,000
Forest Service:	
Forest Protection and Utilization (Annual)	$ 21,720,000
Construction and Land Acquisition	12,601,900
Forest Roads and Trails	18,000,000
Total, Department of Agriculture	$1,267,076,900

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:

Rental and Cooperative Housing for
Lower Income Families (Sec. 236)..............................$25,000,000
Nonprofit Sponsor Loan Fund (Sec. 106a),
technical assistance grants.............................. 1,000,000
Nonprofit Housing Sponsor Loans (Sec. 106b),
planning projects for low and moderate income
families.. 3,5[illegible]0,000
New Community Assistance, supplementary
grants for public facilities.............................. 7,500,000
Rehabilitation Loan Fund.................................. 86,000,000
Water and Sewer Facilities Grants.........................400,100,000

TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.........$523,200,000

Additional funds expected to be impounded before submission of Fiscal Year 1974 budget for HUD:

Open Space Land Programs.................................$50,000,000

Public Facility Loans....................................$20,000,000

DEPARTMENT OF TRANSPORTATION

Federal Highway Administration
Federal-aid highways.............................$2,000,000,000

DEPARTMENT OF DEFENSE -- CIVIL:

Planning Starts...$ 5,04[illegible],000

Construction Starts... 15,422,000

TOTAL, CORPS OF ENGINEERS.....................$20,462,000

GENERAL SERVICES ADMINISTRATION:

GSA indicated "nothing of significance" is impounded. List has not been made available at this time to Congressman Evins

[illegible] COMMERCE:

Economic Development Administration........................$109,555,000

Maritime Administration.. 55,000,000

National Oceanic and Atmospheric Administration............ 30,000,000

Miscellaneous.. 48,445,000

TOTAL DEPARTMENT OF COMMERCE...................................$243,000,000

ENVIRONMENTAL PROTECTION AGENCY:

Waste Treatment Grants (two year authorization for
Fiscal Years 1973 and 1974)...................................$6,000,000,000

TOTAL ENVIRONMENTAL PROTECTION AGENCY.....................$6,000,000,000

DEPARTMENT OF HEALTH, EDUCATION AND WELFARE:

Direct Federal Construction (apportionment awaits
development of approved plans and specifications).........$44,892,087

Post Secondary Innovation.................................... 10,000,000

Higher Education Insured Loans............................... 1,905,403

Social and Rehabilitation Service............................ 200,000

TOTAL DEPARTMENT OF HEALTH, EDUCATION AND WELFARE..........$57,197,490

DEPARTMENT OF THE TREASURY:

Federal Law Enforcement Training Center, Construction....$21,517,395

Bureau of the Mint, Construction............................ 2,516,802

TOTAL DEPARTMENT OF THE TREASURY............................$24,134,197

ATOMIC ENERGY COMMISSION:

Operating Expenses

Thorium Utilization...$ 2,000,000

Gas Cooled Fast Breeder Reactor.............................. 1,000,000

Space Propulsion... 4,000,000

Plowshare.. 3,200,000

Assistance Payments to Richland, Washington.................. 200,000

Plant and Capital Equipment

Cascade Improvement Program.................................. 5,000,000

TOTAL ATOMIC ENERGY COMMISSION...............................$15,400,000

VETERANS ADMINISTRATION:

(Funds Impounded by OMB)

Hospital Construction, major construction	$ 60,000,000
Hospital Construction, minor construction	5,000,000

(Reduction in Quarterly Apportionment by OMB)

Medical Care	44,000,000
Medical and Prosthetic Research (artificial limbs, etc.)	2,430,000
Medical Administration	356,000
TOTAL VETERANS ADMINISTRATION	$111,7[illegible]

DEPARTMENT OF THE INTERIOR:

BUREAU OF RECLAMATION

Loan Program	$ 1,320,000
Construction and Rehabilitation	3,115,000
Upper Colorado River Storage Project	1,170,000
TOTAL BUREAU OF RECLAMATION	$ 5,605,000

OTHER INTERIOR PROGRAMS:

Department indicates only two small items in reserve. Efforts to secure listing have not revealed these items.

APPALACHIAN REGIONAL COMMISSION:

Development Highway Program	$25,000,000
Airport Program	40,000,000
TOTAL, APPALACHIAN REGIONAL COMMISSION	$65,000,000

DEPARTMENT OF STATE:

Foreign Buildings Office (not appropriated funds)	$2,125,000
Excess Currency -- New Embassy in Yugoslavia	2,950,000
Radio Free Europe and Radio Liberty	275,000
East-West Center in Hawaii	200,000
TOTAL, DEPARTMENT OF STATE	$5,550,000

DEPARTMENT OF JUSTICE:

No funds impounded at this time

DEPARTMENT OF LABOR:

No funds impounded at this time

SMALL BUSINESS ADMINISTRATION:

Direct and Immediate Participation Loan Funds	$55,000,000
Administrative Expenses	2,700,000
TOTAL, SMALL BUSINESS ADMINISTRATION	$57,700,000

"New Money" for Rural Development, FY74 Budget

Program	Amount (in millions)
Industrial Development	
loans	$ 200
grants*	10
Water Systems and Community Facilities	
loans	145
grants*	10
Extension Programs* (Rural Development Research by Land-Grant Universities)	5
Environmental Protection Cost Sharing and Technical Assistance (grants)*	10
Total "New Money"	$ 380

* The RDIF is a loan fund, and all grant programs authorized and funded under the Rural Development Act will be administered out of the office of the Secretary of Agriculture.

Issues

The RDIF will provide only loans for its states purposes. While the Rural Development Act also authorized a large amount of grant money, the Administration has requested only a small part of this all of which will be appropriated to the Office of the Secretary of Agriculture, in its fiscal 1974 budget. The status of grant programs authorized under the Rural Development Act and as dealt with in the fiscal 1974 budget request is as follows:

The important aspect of EDA programs is that they are primarily grant programs, as opposed to the insured and guaranteed loan programs of the RDIF. For example, approximately 85% of EDA funds for industrial development are expended as grants. All EDA planning and technical assistance money is in grant form. Altogether, the EDA made $209 million in grants in fiscal 1972.

EDA Grants and Loans

Grants	FY72	FY73	FY74 Budget Request
public works	187,977,000	139,454,000	0
planning	6,573,000	10,208,000	0
research	1,965,000	1,977,000	0
other	12,463,000	16,815,000	0
Total Grants	208,978,000	168,554,000	0
Loan Program	51,912,000	26,479,000	0
	260,890,000	195,033,000	0

The importance of grant funds to the poorest rural communities can not be overemphasized, and the RDIF does not fill this gap which will be left with the demise of the Economic Development Administration.

A further problem to be considered is the intra-state designation of projects to be funded by the RDIF. The planning capabilities of many rural districts is not very highly developed at this time, and it will be awhile before most states can design a rational and effective priority setting procedure for rural areas. Until such time, and even after it, governors will be in a very powerful position with regard to the allocation of these funds. Vigilance will be necessary to see that they are not distributed in an arbitrary manner, and that there is sufficient input from local officials and the concerned public.

The rural Development Act requires that interest rates on RDIF loans be set by the Secretaries of Agriculture and the Treasury. At this time the Administration officials believe this rate will be 5%.

Programs

One obvious purpose of the RDIF is to centralize the administration of a number of related rural development programs. The major programs will be as follows:

1) Water Systems and Community Facilities.

The Rural Development Act transferred $300 million in loan authority for rural water and waste disposal systems out of the Farmers Home Administration Agricultural Credit Insurance Fund and into the RDIF. The legislation also expanded the eligible uses of these funds to include other types of community facilities. (However, in the coming fiscal year, the Administration will not use any of these funds for waste disposal systems, as all such systems will be funded by the Environmental Protection Agency.) The other community facilities that these funds might be used for include, but are not limited to, community health facilities, firehouses, industrial parks, fire and rescue equipment, and ambulances.

In addition to the $300 million transferred from the Agricultural Credit Insurance Fund, there will be $145 million in "new money" for water systems and community facilities, making a total of $445 million for these purposes. The Administration proposes that there be no grants for rural water and waste disposal systems from the Farmers Home Administration in the future, and the fiscal 1974 budget claims that this program has been terminated as of January, 1973. The Environmental Protection Agency will make grants for waste disposal systems, but not for water systems.

2) Industrial Development Loans.

There will be $200 million in the RDIF, all "new money", for industrial development loans. Industrial development is defined as "...improving, developing or financing, business, industry, and employment and improving the economic and environmental climate of rural areas....including the development, construction, or acquisition of land, buildings, plants, equipment, access to streets and roads, parking areas, utility extensions, necessary water supply and waste disposal facilities, refining service, and fees." As with Economic Development Administration programs, there will be some restrictions on industrial relocation. Assistance cannot be given to transfer any employment, business or industry, or any subsidiaries and branch offices of such, from one area to another. Nor can assistance be given to a business or industry that will produce goods, materials, or services

April 9, 1973

RURAL DEVELOPMENT

The Rural Development Act of 1972 (P. L. 92-419) was enacted last year by Congress to spearhead the revitalization of rural America. By encouraging industrialization, commercial activity and community development through improved access to government and private credit, the Act intends to increase job opportunities and income in rural areas. Since the Administration plans to terminate the Economic Development Administration in fiscal 1974, the programs created under this Act will be the only specifically rural physical and economic development efforts. The design and administration of these programs should be of interest to all those attempting to restore rural areas as attractive alternatives to the nation's cities.

This brief report was prepared from the fiscal 1974 budget and interviews with officials of the Farmers Home Administration of the Department of Agriculture and of the Office of Management and Budget.

Administration

The Rural Development Act created the Rural Development Insurance Fund (RDIF) which will be administered by the Farmers Home Administration at this time.* (Most Administration officials anticipate the creation of a Department of Community Development, at which time the RDIF will be transferred from USDA to the new Department.) As proposed in the Administration's fiscal 1974 budget, the RDIF will include insured and guaranteed loans for rural water systems, industrialization projects, a broad range of community facilities, as well as all loans for rural electrification and telephone which were previously made from separate funds.

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* As used in this Act, "rural and rural areas shall not include any area in any city or town which has a population in excess of 10,000 inhabitants except that for purposes of loans and grants for private business enterprises...the terms rural and rural areas may include all the territory of a state, the Commonwealth of Puerto Rico and the Virgin Islands not within the outer boundary of any city housing a population of 50,000 or more and its immediately adjacent urbanized and urbanizing areas with a population density of more than 100 persons per square mile..."

STATE OF MONTANA
DEPARTMENT OF INTERGOVERNMENTAL RELATIONS

ECONOMIC OPPORTUNITY DIVISION
OFFICES AT 1424 NINTH, HELENA
MAIL TO CAPITOL STATION HELENA, MT 59601

406 449-3420

THOMAS L. JUDGE
GOVERNOR

May 8, 1973

TO: dan newman, administrator

FROM: Billie Johnson, Special Assistant

RE: BETTER COMMUNITIES ACT OF 1973

The Better Communities Act, which was sent to Congress in the latter part of April, is similar to last year's Urban Community Revenue Sharing plan. The five-year $2.3 billion dollar proposal "will take the Federal government out of the business of Urban Renewal, Model City, and other red tape-ridden programs," according to HUD Secretary James T. Lynn.

The BCA will provide revenue sharing monies to states and local communities for Community Development activities and will replace such existing HUD programs as Urban Renewal, Model City, Water and Sewer Grants, Neighborhood Facilities, Open Space, Public Facility Loans, and Rehabilitation Loans.

Under the Administration's plan, local governments will be the recipients of the funds and will expend them in broad categories. The Federal interest will be primarily in eligibility, not feasibility.

Some eligible activities will be:

* * acquiring, cleaning and improving real property
* * purchasing and developing open space, historic sites, parks, and playgrounds
* * relocating people and businesses displaced by CD activities
* * building streets, malls, neighborhood and community centers, recreation areas
* * rehabilitating residential or commercial properties
* * eliminating harmful physical conditions that endanger health or public safety
* * providing community services considered necessary to carry out the Community Development objectives of a particular community.

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406 449-3420

THOMAS L. JUDGE
GOVERNOR

May 9, 1973

TO: All Montana Ad Hoc Coalition Members

FROM: dan newman, Administrator

SUBJECT: Report on Better Communities Act of 1973

Those of you who attended the last Coalition Meeting on May 7, heard the attached report read on the Better Communities Act of 1973. I requested Ms. Billie Johnson of my office to research the proposed Act and to prepare a brief report for me.

In the belief that such a report might be of interest to some Coalition members, I am sending you a copy. The opinions expressed in the report are Ms. Johnson's (and mine!) and are not necessarily those of Economic Opportunity Division of the Department of Intergovernmental Relations or those of the Montana Ad Hoc Coalition.

dn/jw

Enclosure

BETTER COMMUNITIES ACT

(This information was given to participants at a revenue sharing conference held in Butte, Montana, on May 2, 1973 by Lee White, HUD Regional Office, Denver.)

COMPARATIVE ANALYSIS OF THE EVOLVING NATURE OF H.U.D.'S COMMUNITY DEVELOPMENT PROGRAMS

Preapplication/Community Requirements

		Urban Renewal	Model City	BCA
1.	Certified Workable Program	Yes	No	Doubtful
2.	General Plan	Yes	No	Simplified
3.	Legal Authority	Yes	Yes	Yes
4.	Equal Opportunity Certification	Yes	Yes	Yes
5.	Prove Relative Need	Yes	Yes	No
6.	Local Share	Yes	Partial	No

Application Requirements

		Urban Renewal	Model City	BCA
1.	Program Survey	Yes	Yes	Yes
2.	Legal Report	Yes	Simplified	Simplified
3.	Locality Description	Exhaustive	Yes	Simplified
4.	Planning Data	Exhaustive	Yes	No
5.	Objectives Statement	Yes	Yes	Simplified
6.	Project Statement:			
	Cost Data	Yes	Some	Limited
	Design Data	Yes	No	No
	Eligibility Data	Yes	Limited	No
7.	Development Standards and Project Controls	Yes	Limited	No

	Urban Renewal	Model City	BCA
8. Citizen Participation	Yes	Yes	Limited
9. Environmental Statement	Yes	Yes	Yes
10. Equal Opportunity Assurances	Yes	Yes	Yes
11. Relocation	Detailed	Detailed	Detailed

Operational Requirements

	Urban Renewal	Model City	BCA
1. Davis-Bacon	Yes	Yes	Some Cases
2. Land Acquisition Procedures	Yes	Yes	Simplified
3. HUD Review:			
Bids	Yes	No	No
Contractor	Yes	No	Doubtful
Change Overs	Yes	No	No
Force Account	Yes	No	No
Insurance and Bonding	Yes	Limited	Doubtful
4. Fiscal Procedures:			
Accounting Controls	Yes	Yes	Yes
Budget Flexibility	Little		Complete
5. Administration	Yes	Yes	Local Standards

I will not go into a more detailed description of the BCA, except for five sections which I feel are not in the best interests of Montana or its citizens--the distribution formula, citizen participation, relocation, Section 12, and the Davis-Bacon Act.

DISTRIBUTION FORMULA: Distribution will be based on a need formula which includes: 1) the extent of poverty (persons below the Federal poverty line), weighted twice; 2) population; and 3) housing overcrowding (defined as more than one person per room).

Nationally, the program will be funded at $2.3 B yearly. Lee White, HUD Region VIII, speaking at a revenue-sharing conference last week in Butte, estimated that Montana's share would be less than $500,000.*

Under the Federal formula, 65% will automatically be distributed to metropolitan cities and urban counties. A metropolitan city is defined as having at least 50,000 population. There are two such cities in Montana--Billings and Great Falls. An urban county must have at least 200,000 population, excluding the populations of metropolitan cities within the county. There are none in Montana. If we estimate that Montana will receive $500,000 under the BCA, then Billings and Great Falls will divide $325,000.

The remaining money will be turned over to Governor Judge. Under the formula, the Governor must divide the money on a 50-50 split between metropolitan areas and non-metropolitan localities. A metropolitan area is defined as a Standard Metropolitan Statistical Area (SMSA) as established by the Office of Management and Budget. There are two such areas in Montana--Billings and Great Falls. These areas will receive 1/2 of the state funds or $87,500. This split will leave an equal amount ($87,500) for the remainder of Montana.

Small communities that have active Model Cities or Urban Renewal programs, but which will not receive a share according to the need formula, would qualify for a "hold harmless" amount for the next few years. In Montana, only Helena and Anaconda would fall under this provision.

CITIZEN PARTICIPATION: Recipients of funds must prepare a statement of Community Development objectives and proposed uses of funds in advance. At least 60 days before publishing the final statement, they must publish a proposed one to allow the community an opportunity to examine and comment upon the proposal.

Mr. White commented that citizen participation will differ greatly from Urban Renewal and Model Cities programs: no longer will the participation come from "OEO people, the minorities, the low-income--but more likely from professionals".

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* Since I wrote this memorandum, I have received information from Dorothy Eck, State-Local Coordinator, that Montana's share is more likely to be under $200.000!

RELOCATION: One of the eligible activities under the BCA is relocation payments for any Community Development displacements. The BCA permits relocation payments for displacees, when 1/4 or more of the project cost comes from BCA funds. But, the Act fails to provide any additional monies for this purpose.

The Uniform Relocation Act of 1970 makes the cost of relocation payments and assistance a project expense and authorizes a Federal payment of up to $25,000 for each displacement. Notwithstanding this Act, the BCA eliminates the Federal responsibility and states that no Federal contribution, in addition to the funds provided, shall be made to recipients for costs incurred in providing relocation payments for those displaced by CD activities. Relocation payments and assistance, though, frequently constitute a large share of a CD program.

SECTION 12: This section would authorize the Secretary of Housing and Urban Development to terminate any urban renewal project as soon as practicable after consultation with the agency carrying out the project and the chief executive of the locality in which it is located, closing it out financially as if it had been completed.

The key word in Section 12 is consultation--which does not mean agreement. My interpretation of this section is that any existing urban renewal project could be terminated by Secretary Lynn without the consult and against the express wishes of the local government and the people of the community.

DAVIS-BACON ACT: The Davis-Bacon Act provides that all workers employed by contractors or subcontractors paid for in whole or in part with shared revenues must be paid wages at rates not less than those prevailing on similar construction in the locality.

Under the Better Communities Act, Davis-Bacon would not apply to all construction as it did under Urban Renewal and Model Cities. It would apply to the construction of residential property only if such residential property is designed for use by 12 or more families.

CONCLUSION: It is my opinion that the Better Communities Act, as it is now written, provides neither enough money nor enough citizen participation for its stated objective-namely better communities.

(7) "Population" would mean total resident population based on data compiled by the United States Bureau of the Census and referable to the same point or period in time;

(8) "Extent of poverty" would mean the number of persons whose incomes are below the poverty level, as determined by the Secretary pursuant to the definition provided by the Office of Management and Budget, and based on data referable to the same point or period in time;

(9) "Extent of housing overcrowding" would mean the number of housing units with 1.01 or more persons per room based on data compiled by the United States Bureau of the Census and referable to the same point or period in time; and

(10) "Fiscal year" would mean that period of time extending from July 1 of any calendar year through June 30 of the subsequent calendar year and receiving the numerical designation of the calendar year in which the period ends.

Subsection (b) would provide that to the extend practicable, the definitions in subsection (a) must be based upon the most recent data compiled by the United States Bureau of the Census and the latest published circulars of the Office of Management and Budget. The Secretary would be authorized to make technical modifications in terms defined in subsection (a) by regulation where necessary to reflect modifications in Bureau of the Census data categories made subsequent to enactment of the Act.

Section 4. Community Development Activities Eligible for Assistance

This section would set forth the community development activities for which shared Federal revenues provided under this Act may be used.

These activities may include:

(1) acquisition of real property (including interests therein) which is blighted or inapprorpiately developed, needed for public or community facilities, historic preservation, beautification, conservation, recreation, the guidance of urban development, or for other public purposes;

(2) relocation payments and assistance for those displaced by community development activities;

(3) clearance, demolition, removal, and rehabilitation of buildings and improvements (including financing rehabilitation of privately owned properties when incidental to other activities);

(4) provision of public works, facilities, and sites or other improvements;

(5) elimination, by code enforcement and other means, of harmful physical conditions constituting a danger to public health and safety;

(6) disposition (by sale, lease, donation, or otherwise) of acquired real property or its retention for public purposes; and

(7) the provision of community services (including activities to further the purposes of section 9 (a)) which the recipient determines are necessary to achieve its community development objectives.

Section 5. Statement of Community Development Objectives

Subsection (a) would provide that prior to first receipt in any fiscal year of funds by any State or by any unit of general local government under Section 7, the recipient of such funds is required to have prepared a final statement of community development objectives and projected use of funds for such fiscal year. In order to permit public examination and appraisal of community development

SECTION-BY-SECTION SUMMARY
BETTER COMMUNITIES ACT

To provide Federal Revenues to State and local governments and afford them broad discretion in carrying out community development activities.

Section 1. Short Title

This section would provide that this Act may be cited as the "Better Communities Act."

Section 2. Statement of Findings and Purpose

This section would set forth Congressional findings and declarations that:

(1) States and units of general local government are the most appropriate levels of government to develop and carry out community development programs and activities.

(2) The current method of distributing Federal assistance for community development is seriously deficient because it is so excessively fragmented and controlled at the Federal level, and channeled through so many separate, overlapping and independent grant programs, to so many different special purpose bodies and agencies, that it has become an ineffective use of the Federal funds involved.

(3) The effectiveness of community development would be improved by making Federal resources for such purposes available to States and units of general local government to use with broad discretion in evaluating their community development needs and allocating resources to meet those needs.

Section (b) would declare, therefore, that it is the purpose of the Act to help States and units of general local government to deal more effectively with the broad range of community development concerns by replacing inflexible and fragmented categorical programs of Federal assistance with a more efficient system of Federal revenue sharing assistance which will encourage the exercise of State and local responsibility.

Section 3. Definitions

Subsection (a) would define certain terms as follows:

(1) "Secretary" would mean the Secretary of Housing and Urban Development;

(2) "Unit of general local government" would mean any city, municipality, county, town, township, parish, village, or other general purpose political subdivision of a State; a combination of such political subdivisions recognized by the Secretary; the District of Columbia; and the Trust Territory of the Pacific Islands;

(3) "State" would mean any State of the United States; the Commonwealth of Puerto Rico; Guam; Samoa; and the Virgin Islands.

(4) "Metropolitan area" would mean a standard metropolitan statistical area as established by the Office of Management and Budget;

(5) "Metropolitan city" would mean a city having a population of 50,000 or more or a central city in a metropolitan area;

(6) "Urban county" would mean any county which is within a metropolitan area and which has a population of 200,000 or more, excluding the population of metropolitan cities therein;

projects and activities and to facilitate coordination of activities with different levels of government, at least 60 days prior to preparation of a final statement, a recipient must publish a proposed statement in such manner as to afford the citizens of such State or such unit of general local government a reasonable opportunity to examine its content and to submit comments on the proposed statement. In preparing its final statement the recipient would have to consider any such comments and may, if deemed appropriate by the recipient, modify the proposed statement. A recipient's statement must reflect the degree to which activities assisted under this Act relate to any State and area wide programs and activities for community development. Every final statement of community development objectives and projected use of funds must be made available to the public, and a copy must be furnished to the Secretary (and, in the case of any recipient unit of general local government, to the Governor of the State in which it is located as well) together with a certification that the recipient is in full compliance with the publication requirements of this subsection as well as the other provisions of the Act.

Subsection (b) would provide that with respect to funds received in fiscal year 1975, the requirements of subsection (a) may be met by actions taken prior to the effective date of this Act.

Subsection (c) would provide that within 60 days after the close of any fiscal year in which the recipient receives funds under this Act, it must make public and forward to the Secretary a report concerning the community development projects or activities paid for or expected to be paid for in whole or in part by funds received under Section 7 which were initiated or carried out during the preceding fiscal year. The report must include an assessment of such activities in relation to the community's development objectives.

Section 6. Authorization of Appropriations

This section would authorize to be appropriated without fiscal year limitation such sums as may be necessary for fiscal year 1975 and the four succeeding fiscal years.

Section 7. Allocation and Distribution of Funds

Subsection (a) would provide for payments by the Secretary to metropolitan cities and urban counties as follows:

(1) From the funds provided in any fiscal year from appropriations to carry out this Act, the Secretary would be required to pay to each metropolitan city and urban county an aggregate amount equal to the greater of its formula entitlement, subject to a phase in adjustment, as computed under (2), or its hold-harmless amount as computed under (3).

(2) The Secretary would be required to compute the formula entitlement of each metropolitan city or urban county by allocating 65 percent of the total of the funds made available in each fiscal year from appropriations to carry out this Act so that each metropolitan city or urban county is allocated an amount which bears the same ratio to such 65 percent of the total of the funds made available in each fiscal year as the average of ratios among (1) the population of the city or urban county and that of all metropolitan cities and urban counties, (2) the extent of poverty in the city or urban county and that in all metropolitan cities and urban counties (counted twice), and (3) the extent of housing overcrowding in the city or urban county and that in all metropolitan cities and urban counties. In computing

the entitlement of urban counties the Secretary would be required to exclude population, poverty, and housing overcrowding data which are derived from metropolitan cities located within such counties. In addition, in computing entitlement for fiscal years 1975 and 1976, the Secretary would be reqired to exclude population, poverty, and housing overcrowding data which are derived from units of general local government located within any urban county and which qualify for hold-harmless funds. For fiscal year 1977, he would be required to exclude two-thirds of such data and for fiscal year 1978, he would be required to exclude one-third of such data.

Some metropolitan cities and urban counties would be allotted considerably more funds under this needs formula than these communities have received in past years from participation in the categorical programs being replaced by this Act. Formula entitlements would be adjusted in the case of metropolitan cities and urban counties having formula entitlements which are more than their hold-harmless amount as determined under (3). During the first three years for which funds are allocated under this Act, the entitlement of such metropolitan cities or urban counties would be subject to an adjustment so that (1) the entitlement for the first year equals one-third of the full entitlement, or the hold-harmless amount, whichever is the greater, (2) the entitlement for the second year equals two-thirds of the full entitlement, or the hold-harmless amount, or the amount allowed under clause (1) whichever is the greatest, and (3) the entitlement for the third year equals the full formula entitlement.

(3) Each metropolitan city or urban county would be guaranteed a hold-harmless amount computed on the basis of prior grants or other assistance the city or county has received as a result of its participation in categorical grant programs being replaced by this Act. The full hold-harmless amount for each metropolitan city or urban county would be made up of the sum of (i) the sum of the average during the five fiscal years ending prior to July 1, 1972 of (1) commitments for grants which the city or county has received under the urban renewal program (part A of title I or the Housing Act of 1949), (2) loans under the rehabilitation loan program (section 312 of the Housing Act of 1964), (3) grants under the basic water and sewer facilities and neighborhood facilities program (sections 702 and 703 of the Housing and Urban Development Act of 1965), (4) loans under the public facilities loan program (title II of the Housing Act of 1955), and (5) grants under the open space land program (title VII of the Housing Act of 1961); and (ii) the average annual neighborhood development grant (Part B of title I of the Housing Act of 1949) made during fiscal years ending piror to July 1, 1972, or during fiscal year 1973 in the csse of a metropolitan grant in such fiscal year. In the case of metropolitan cities and urban counties which have been participating in the model cities program the hold-harmless amount would be increased on the basis of their model cities experience. The amount of additional hold-harmless would be the amount of the average annual grant (excluding grants made for Planned Variations) made to these communities pursuant to section 105 of the Model Cities Act during fiscal years ending prior to July 1, 1972. This additional amount would be credited however only for a period that permits the community a five-year combination of model cities funding years and hold-harmless additions. The amount of the average annual grant resulting from participation in the model cities or NDP programs would be established by taking the total dollar amount of the grants made to a participant under the program, dividing by the number of months for which those grants were authorized and multiplying the result by twelve.

Grants or loans [illegible] disasters, and grants made to assist [illegible] the Uniform Relocation Assistance and Real Prop[illegible] [illegible]cluded when determining hold-harmless amounts. [illegible] purpose of determining the hold-harmless amount [illegible] Secretary would be required to exclude [illegible] metropolitan cities and other units of local [illegible]

During [illegible] amount for each metropolitan city [illegible] hold-harmless amount computed for the city or county [illegible] would begin to be phased out after fiscal year 1976. In fiscal [illegible] if the hold-harmless amount is greater than the [illegible] city or urban county for that year, it would have to be reduced so that in fiscal year 1977 the excess of hold-harmless over the [illegible] equal two-thirds of the difference between the full hold-harmless [illegible] and the formula entitlement for each year, and so that in the [illegible] hold-harmless over the formula entitlement would [illegible] of the difference between the full hold-harmless amount [illegible] for each year. After fiscal year 1978, there would be [illegible]

Subsection (b) [illegible] hold-harmless payments to a unit of general local government which [illegible] urban county if it was participating in the model [illegible] during fiscal year 1968 or any subsequent fiscal [illegible] enactment of this Act it was carrying out urban [illegible] programs pursuant to grants and commitments [illegible] during that period.

Subsection (c) would [illegible] available from appropriations to carry out this Act [illegible] to metropolitan cities, urban counties or other units of general local government under subsections (a) or (b) (but not including [illegible] in fiscal year 1977 and subsequent fiscal years solely [illegible] hold-harmless) the Secretary would allocate [illegible] States for community development purposes.

The Secretary would [illegible] to the States on the basis of the relative [illegible] States. The factors used in establishing need [illegible] (counted twice) and housing overcrowding. For [illegible] to be allocated to each State under this subsection [illegible] be considered as though they did not include [illegible]

To receive funds [illegible] State would have to certify through its governor that [illegible] funds allocated to the States among different metropolitan [illegible] metropolitan areas will receive at least 50 percent [illegible] State's allocation which is attributable to inclusion in [illegible] pertaining to that metropolitan area without [illegible] costs. Funds not allocated and used [illegible] metropolitan areas as required in the preceding sentence [illegible] distribution by the governor to units of general local government [illegible] reasonable amounts, for State expenses in carrying out [illegible]

Subsection (d) would provide that any funds not allocated and used under any preceding subsection or which are allotted and but not paid pursuant to subsection (e) (2) of this section would be available to the Secretary for payments to states and units of general local government subject to such terms and conditions as he may prescribe or for such other uses as he determines would be consistent with the purposes of the Act including evaluation, directly or by contract or otherwise, of the use of shared revenues disbursed under this Act.

Subsection (e) would provide that funds which become available in fiscal year 1977 and subsequent fiscal years by virtue of the phase out of hold-harmless would have to be allotted as follows: ten percent of such sums would be allotted to the Secretary for use in accordance with subsection (d) of this section and the balance of such sums would be allotted so that (1) one-third is divided among model cities and urban counties in the same manner as funds are allotted to them under subparagraph (A) of subsection (a) (2), (2) one-third is divided among the States in the same manner as funds are allotted to them under subparagraph (A) of subsection (c) (2) but without regard to the exclusion of metropolitan cities required by subparagraph (B) of that subsection and this amount would be available in each State only for distribution in metropolitan areas with each metropolitan area being entitled to that amount of the State's share of these funds which is attributable to inclusion of data pertaining to its population, poverty and housing overcrowding, and (3) one-third is divided among the States in the same manner as in (2) above and this amount would be available to the Governors for distribution to any unit of general local government, and subject to regulations of the Secretary for administrative expenses incurred by the State in carrying out this Act. No amount allotted among metropolitan cities and urban counties out of the balance of funds remaining in any fiscal year by virtue of the phase out of hold-harmless (after the 10 percent of such funds are allotted to the Secretary) would be paid in any fiscal year to any metropolitan city or urban county, if such payment would result in such city or county receiving an aggregate amount which is in excess of its full hold-harmless amount, except that this limitation would not apply with respect to any city or county if the amount alloted by reason of such extra payment when added to the formula entitlement exceeds such full hold-harmless amount.

Subsection (f) would make the Secretary's determination and calculation of allocations and entitlements final and conclusive.

Section 8. Loans

This section would provide that nothing in this Act prohibits a unit of general local government from obtaining loans to finance any community development activity, and from pledging, or offering as security for such loan, any asset which it otherwise may pledge or offer as security.

Section 9. Nondiscrimination

This section would provide for the nondiscriminatory use of Federal assistance made available under the act.

Subsection (a) would provide that no person in the United States shall on the ground of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this Act.

Subsection (b) would provide that wherever the Secretary determines that a recipient has failed to comply with subsection (a) or an applicable regulation,

he shall notify the Governor of the State (or, in the case of a unit of local government, which has not received shared revenues from the State, the chief executive of such unit) of the noncompliance and shall request the Governor or the chief executive to secure compliance. If within a reasonable period of time, not to exceed 60 days, the Governor or the chief executive fails or refuses to secure compliance the Secretary would be authorized (1) to refer the matter to the Attorney General with a recommendation that an appropriate civil action be instituted; (2) to exercise the powers and functions provided by Title IV of the Civil Rights Act of 1964; (3) to exercise the power and functions provided for in section 15 of this Act; or (4) to take such other action provided by law.

Subsection (c) would provide that when a matter is referred to the Attorney General pursuant to subsection (b), or whenever the Attorney General has reason to believe that a State government or unit of local government is engaged in a pattern or practice in violation of the provisions of this section, he may bring a civil action in any appropriate United States district court for such relief as may be appropriate, including injunctive relief.

Section 10. Labor Standards

This section would require that all laborers and mechanics, employed by contractors or subcontractors in the performance of work on any construction project financed in whole or in part with shared revenue funds, must be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act. This section would apply to the construction of residential property only if such residential property is designed for residential use for twelve or more families.

Section 11. Matching Grants

This section would provide that shared revenue funds may be used as matching shares for Federal programs which provide assistance for community development activities and that neither the Secretary nor any State shall require any matching of State or local funds as a condition to making payments under this Act.

Section 12. Use of Shared Revenue to Close Out Urban Renewal Projects

This section would authorize the Secretary to terminate any urban renewal project being carried out under title I of the Housing Act of 1949 as soon as practicable after consultation with the agency carrying out the project and the chief executive of the locality in which it is located, and to effect a financial closeout as if the project had been fully completed on the termination date. Any funds available to such project at the time of closeout would continue to be available to the unit of general local government for the area in which the project is located for use in meeting its community development objectives. Such closeout would be based upon the costs incurred and capital grants earned for the project to the date of termination. If such closeout did not result in full repayment of the principal of, and accrued interest on, any termporary loans made under title I of the Housing Act of 1949 for the project, the Secretary could, notwithstanding any other provision of this Act, condition distribution of funds pursuant to section 7 of this Act to the unit of general local government for the area in which the project is located upon the use of such funds, in such amounts, and staged over such time periods as the Secretary deems appropriate, to repay such temporary loans.

Section 13. Records, Audits, and Reports

This section would provide that in order to assure that revenues shared under this Act are used in accordance with its provisions, each recipient must (1) use such fiscal, audit, and accounting procedures as may be necessary to assure proper accounting for payments received by it, and proper disbursement of such payments, (2) provide to the Secretary and the Comptroller General of the United States access to, and the right to examine, any books, documents, papers, or records as he requires, and (3) make such reports to the Secretary or the Comptroller General of the United States as he requires.

Section 14. Relocation

Subsection (a) would amend Sec. 217 of the Uniform Relocation Assistance and Real Property Acquisitions Policies Act of 1970 to add a provision that permits relocation payments for displacement as a direct result of any community development activities, 25 percent or more of the cost of which is paid for with shared revenue funds received under the Better Communities Act.

Subsection (b) would provide that notwithstanding section 211 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (which makes the cost of relocation payments and assistance a project expense and authorizes a Federal payment for the first $25,000 of relocation costs for each displacement which occurs prior to July 1, 1972) no Federal contribution in addition to shared revenues shall be made to recipients for costs incurred in providing relocation payments and assistance for those displaced by community development activities assisted with community development special revenue sharing funds.

Section 15. Remedies for Noncompliance

This section would provide for remedies for noncompliance with any provision of this Act as follows:

Subsection (a) would provide that if the Secretary, after reasonable notice and opportunity for hearing finds that a recipient of revenues shared under this Act has failed to comply substantially with an provision of this Act, the Secretary, until he is satisfied that there is no longer any such failure to comply, would be required to terminate payments to such State under this Act, or reduce payments under this Act by an amount equal to the amount of such payments which were not expended in accordance with this Act, or limit the availability of payments under this Act to programs, projects, or activities not affected by such failure to comply.

Subsection (b) would provide that if in lieu of, or in addition to, any action authorized by subsection (a), the Secretary may, if he has reason to believe that a recipient has failed to comply substantially with any provision of this Act, refer the matter to the Attorney General of the United States with a recommendation that an appropriate civil action be instituted. Upon such a referral the Attorney General could bring a civil action in any United States district court having venue thereof for such relief as may be appropriate, including an action to recover revenues shared under this Act which were not expended in accordance with it, or for mandatory or injunctive relief.

Subsection (c) would provide that if any recipient which receives notice, under subsection (a), of the termination, reduction, or limitation of revenues shared could, within sixty days after receiving such notice, file with the United States Court of Appeals for the circuit in which such State is located, or in the United States Court of Appeals for the District of Columbia, a petition for review

of the Secretary's action. The petitioner would have to transmit copies of the petition to the Secretary and the Attorney General of the United States, who shall represent the Secretary in the litigation.

The Secretary would be required to file in the court the record of the proceeding on which he based his action, as provided in section 2112 of title 28, United States Code. No objection to the action of the Secretary could be considered by the court unless such objection has been filed in writing with the court.

The court would have jurisdiction to affirm or modify the action of the Secretary or to set it aside in whole or in part. The findings of fact by the Secretary, if supported by substantial evidence on the record considered as a whole, would be conclusive. The court could order additional evidence to be taken by the Secretary, and to be made part of the record. The Secretary could modify his findings of fact, or make new findings, by reason of the new evidence so taken and filed with the court, and he would also be required to file such modified or new findings, which findings with respect to questions of fact would be conclusive if supported by substantial evidence on the record considered as a whole, and he would also file his recommendations, if any, for the modification or setting aside of his original action.
Upon the filing of the record with the court, the jurisdiction of the court would be exclusive and its judgment would be final, except that such judgment would be subject to review by the Supreme Court of the United States upon writ of certiorari or certification as provided in section 1254 of title 28, United States Code.

Section 16. General Provisions

Shared revenues would be paid to recipients in such installments as the Secretary may determine taking into account the objective that the time elapsing between the transfer of funds from the United States Treasury and its disbursement by a recipient shall be minimized.

Subsection (a) would provide that the Secretary must prescribe such rules, regulations, and standards as may be necessary to carry out the purposes and conditions of this Act.

Subsection (b) would require the Secretary to include an evaluation of the effectiveness of this Act in his annual report to the President on departmental activities required by section 8 of the Department of Housing and Urban Development Act.

Subsection (c) would require each recipient to provide for the expenditure of amounts received under this Act only in accordance with the laws and procedures applicable to the expenditures of its own revenues.

Section 17. Conforming and Technical Amendments

Subsection (a) would provide that this Act shall be effective upon enactment, but no funds would be allotted before fiscal year 1975.

Subsection (b) would provide that no new grants or loans may be made under section 312 of the Housing Act of 1964, section 702 or section 703 of the Housing and Urban Development Act of 1965, title VII of the Housing Act of 1961, or title I of the Demonstration Cities and Metropolitan Development Act of 1966 after the effective date of this Act; after June 30, 1974, no new loans or grants could be made under title I of the Housing Act of 1949. In certain limited cases, new grants and loans--but not amendatories--could continue to be made on the basis of previous commitments.

Subsection (c) would amend Section 3689 of the Revised Statutes, as amended, (31 U.S.C. 711) to provide for payments required from time to time under contracts entered into pursuant to section 103 (b) of the Housing Act of 1949, as amended, with respect to projects or programs for which funds have been committed on or before June 30, 1973, and for which funds have not previously been appropriated.

Subsection (d) would authorize the Secretary to transfer the assets and liabilities of any superseded or nonactive program of housing or urban development to the revolving fund for liquidating programs established pursuant to title II of the Independent Offices Appropriation Act.

The enclosed is a summary of the Better Communities Act as it was introduced in Congress.

PLANNING

community development

news bulletin

Montana Division of Planning
and Economic Development
Dept. of Intergovernmental Relations
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OUTLINE SUMMARY OF PROPOSED BETTER COMMUNITIES ACT (BCA)

(Community Development Speical Revenue Sharing)

I. Purpose
   A. Consolidate categorical programs
   B. Provide shared revenues for C.D. activities
   C. General purpose local government is responsible for C.D. programs
   D. Local government shall have broad discretion in using funds

II. Consolidation of Programs
   A. Included in BCA--Urban Renewal, Water & Sewer, Neighborhood Facilities, Model Cities, Open Space, Facility Loan, Rehab Loans
   B. Not included in BCA
      1. Planning ("701")--Responsive Governments Act
      2. Housing--Subsidized programs suspended pending new legislation

III. Uses of BCA Shared Revenues
   A. Acquisition of property
   B. Relocation payments
   C. Clearance
   D. Rehabilitation (including privately owned properties)
   E. Public works, facilities, & improvements
   F. Elimination of harmful physical conditions
   G. Disposition of property
   H. Community services
   I. Other community development activity

IV. Distribution of Shared Revenues (NATIONALLY: $2.3B) (MONTANA: $500,000 or less, est.)
   A. Cities, urban counties, & states
   B. Urban oriented
   C. Formula
      1. Hold harmless for first two years, then phaseout
      2. 65% automatically to metro cities & urban counties (BILLINGS, GREAT FALLS)
      3. 50-50 split of balance to metro areas and non-metro localities through states

V. Statement--~~Not~~ Application
   A. Statement of C.D. objectives and projected use of funds
   B. 60 day public review period
   C. Relationship to area-wide activities
   D. End of year report/assessment

VI. Other Provisions
   A. No Federal loans
   B. Non-discrimination
   C. Davis-Bacon
   D. 100% grant, usable as local match
   E. Fiscal, audit & accounting procedures
   F. Relocation Act may apply

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